Act No. 22
Public Acts of 2025
Approved by the Governor
October 7, 2025
Filed with the Secretary of State
October 7, 2025
EFFECTIVE DATE: October 7, 2025

STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2025

Introduced by Rep. Bollin

ENROLLED HOUSE BILL No. 4706

AN ACT to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2025 and September 30, 2026; 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

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	546.0		
GROSS APPROPRIATION		**$**	**145,885,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			336,600
ADJUSTED GROSS APPROPRIATION		**$**	**145,548,400**
Federal revenues:			
Total federal revenues			20,079,600
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			47,972,400
State general fund/general purpose		**$**	**77,496,400**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	31.0		
Unclassified salaries—FTEs	6.0	$	1,064,200
Accounting service center			1,190,900
Commissions and boards			23,800
Emergency management—FTEs	8.0		2,774,100
Emerging contaminants in food and agriculture—FTEs	6.0		1,362,200
Executive direction—FTEs	17.0		2,532,200
Property management			876,300
GROSS APPROPRIATION		**$**	**9,823,700**
Appropriated from:			
Federal revenues:			
Deferred federal revenue funding			15,000
HHS, multiple grants			444,800
USDA, multiple grants			600,000
Special revenue funds:			
Agriculture licensing and inspection fees			170,100
Dairy and food safety fund			160,000
Feed control fund			9,000
Fertilizer control fund			10,700
Freshwater protection fund			165,400
Industry support funds			58,300
Michigan craft beverage council fund			8,800
Private forestland enhancement fund			18,100
Refined petroleum fund			21,300
Weights and measures regulation fees			5,000
State general fund/general purpose		**$**	**8,137,200**
Sec. 103. INFORMATION TECHNOLOGY			
Information technology services and projects		$	2,386,400
GROSS APPROPRIATION		**$**	**2,386,400**
Appropriated from:			
Special revenue funds:			
Agriculture licensing and inspection fees			93,800
Dairy and food safety fund			77,000
Feed control fund			15,200
Fertilizer control fund			15,200
Freshwater protection fund			15,200
Gasoline inspection and testing fund			32,600
State general fund/general purpose		**$**	**2,137,400**
Sec. 104. FOOD SAFETY AND ANIMAL HEALTH			
Full-time equated classified positions	212.0		
Animal disease prevention and response—FTEs	63.0	$	11,208,400
Animal feed safety—FTEs	10.0		2,127,200
Food safety and quality assurance—FTEs	103.0		18,407,500
Indemnification - livestock depredation			15,000
Milk safety and quality assurance—FTEs	36.0		6,057,500
GROSS APPROPRIATION		**$**	**37,815,600**
Appropriated from:			
Federal revenues:			
HHS, multiple grants			2,929,800
USDA, multiple grants			1,211,100
Special revenue funds:			
Agriculture licensing and inspection fees			73,300

			For Fiscal Year Ending Sept. 30, 2026
Animal welfare fund		$	150,000
Consumer and industry food safety education fund			242,500
Dairy and food safety fund			6,545,400
Feed control fund			1,451,500
Industry food safety education fund			114,100
Marihuana regulatory fund			50,600
State general fund/general purpose		**$**	**25,047,300**
Sec. 105. ENVIRONMENT AND SUSTAINABILITY			
Full-time equated classified positions	117.5		
Environmental stewardship - MAEAP—FTEs	27.0	$	11,024,600
Local conservation districts			3,000,000
Pesticide and plant pest management—FTEs	79.0		14,032,300
Right-to-farm—FTEs	6.5		1,060,100
Soil health/Regenerative agriculture—FTEs	5.0		2,035,500
GROSS APPROPRIATION		**$**	**31,152,500**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDEGLE, biosolids			97,800
Federal revenues:			
Department of Interior			96,300
EPA, multiple grants			1,142,700
USDA, multiple grants			2,048,100
Special revenue funds:			
Agriculture licensing and inspection fees			4,228,600
Fertilizer control fund			1,396,000
Freshwater protection fund			8,560,100
Horticulture fund			70,000
Industrial hemp fund			688,900
Industry support funds			228,100
State general fund/general purpose		**$**	**12,595,900**
Sec. 106. AGRICULTURE DEVELOPMENT			
Full-time equated classified positions	72.0		
Agricultural preservation easement grants		$	1,900,000
Agricultural support—FTEs	5.0		1,005,000
Agriculture development—FTEs	16.0		4,882,500
Fair food network - double up food bucks			4,000,000
Farm to family—FTEs	6.0		3,014,300
Farmland and open space preservation—FTEs	10.0		1,613,800
Food and agriculture investment program			2,449,300
Food and agriculture supply chain—FTE	1.0		305,100
Fruit and vegetable inspections—FTEs	8.0		1,313,300
Intercounty drain—FTEs	5.0		897,800
Michigan craft beverage council—FTE	1.0		1,346,600
Migrant labor housing—FTEs	9.0		1,410,000
Producer security/grain dealers—FTEs	6.0		1,044,500
Qualified forest program—FTEs	4.0		7,826,500
Rural development fund grant program—FTE	1.0		2,009,500
GROSS APPROPRIATION		**$**	**35,018,200**
Appropriated from:			
Federal revenues:			
USDA, multiple grants			8,089,900
Special revenue funds:			
Agricultural preservation fund			3,513,800
Agriculture licensing and inspection fees			5,100

			For Fiscal Year Ending Sept. 30, 2026
Commodity inspection fees		$	705,500
Grain dealers fee fund			885,700
Industry support funds			223,600
Michigan craft beverage council fund			1,316,600
Migratory labor housing fund			145,100
Private forestland enhancement fund			1,080,100
Rural development fund			2,009,500
State general fund/general purpose		**$**	**17,043,300**
Sec. 107. LABORATORY AND CONSUMER PROTECTION			
Full-time equated classified positions	113.5		
Consumer protection program—FTEs	39.0	$	6,988,800
Integrated solutions—FTEs	25.0		3,724,100
Laboratory services—FTEs	40.5		8,467,700
USDA monitoring—FTEs	9.0		1,743,800
GROSS APPROPRIATION		**$**	**20,924,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from LARA (LCC), liquor quality testing fees			238,800
Federal revenues:			
EPA, multiple grants			180,600
HHS, multiple grants			1,576,300
USDA, multiple grants			1,745,000
Special revenue funds:			
Agricultural preservation fund			44,600
Agriculture licensing and inspection fees			835,500
Dairy and food safety fund			709,600
Feed control fund			193,000
Fertilizer control fund			23,500
Freshwater protection fund			78,900
Gasoline inspection and testing fund			1,964,300
Grain dealers fee fund			8,400
Industrial hemp fund			322,200
Migratory labor housing fund			29,900
Refined petroleum fund			3,563,700
Testing fees			361,700
Weights and measures regulation fees			763,100
State general fund/general purpose		**$**	**8,285,300**
Sec. 108. FAIRS AND EXPOSITIONS			
County fairs, shows, and expositions		$	250,000
Fairs and racing			258,600
Horse racing advisory commission			125,000
Purses and supplements - fairs/licensed tracks			2,073,600
Standardbred breeders' awards			345,900
Standardbred purses and supplements - licensed tracks			991,100
Standardbred sire stakes			720,000
GROSS APPROPRIATION		**$**	**4,764,200**
Appropriated from:			
Special revenue funds:			
Agriculture equine industry development fund			4,514,200
State general fund/general purpose		**$**	**250,000**
Sec. 109. ONE-TIME APPROPRIATIONS			
Michigan animal agriculture alliance		$	1,500,000
County fairs, shows, and expositions			250,000
Emerging contaminants in food and agriculture			250,000

		For Fiscal Year Ending Sept. 30, 2026
Fair food network - double up food bucks	$	1,000,000
Food and agriculture supply chain		500,000
Food safety/quality assurance		500,000
GROSS APPROPRIATION	**$**	**4,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**4,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $125,468,800.00 and total state spending under part 1 from state sources to be paid to local units of government is $11,800,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT		
Agriculture preservation easement grants	$	1,900,000
Environmental stewardship/MAEAP		4,100,000
Local conservation districts		3,000,000
Qualified forest program		1,400,000
Rural development fund grant program		1,400,000
TOTAL	**$**	**11,800,000**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in part 1 and this part:

(a) "Department" means the department of agriculture and rural development.

(b) "Director" means the director of the department.

(c) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.

(d) "FTE" means full-time equated.

(e) "IDG" means interdepartmental grant.

(f) "MAEAP" means the Michigan agriculture environmental assurance program.

(g) "MDEGLE" means the Michigan department of environment, Great Lakes, and energy.

(h) "Standard report recipients" means the senate and house appropriations subcommittees on agriculture and rural development the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

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

(j) "TB" means tuberculosis.

(k) "USDA" means the United States Department of Agriculture.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside the state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department shall submit the report to the standard report recipients and to the house of representatives and senate appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $3,000,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 213. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of the local health officer.

Sec. 214. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1, shall take all reasonable steps to ensure geographically disadvantaged business enterprises 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 geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 215. On a quarterly basis, the department or agency receiving appropriations in part 1, shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 218. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 221. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 222. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 223. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 224. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act number. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 226. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed upon business hours.

Sec. 228. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients by March 1 of each year that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 229. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 234. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $8,872,800.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $8,002,700.00. Total appropriations for retiree health care legacy costs for the department are estimated at $870,100.00.

Sec. 235. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 236. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 237. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 238. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 239. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. (1) The department may establish a fee schedule and collect fees for the following work activities and services:

(a) Pesticide and plant pest management propagation and certification of virus-free foundation stock.

(b) Fruit and vegetable inspection and grading services at shipping and termination points and processing plants.

(c) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.

(d) Laboratory support test samples for other state and local agencies and public or private organizations.

(2) The department may receive and expend revenue from the fees authorized under subsection (1), subject to appropriation, to recover expenses associated with the work activities and services described in subsection (1). Fee revenue collected by the department under subsection (1) does not lapse to the state general fund at the end of the fiscal year but carries forward for appropriation by the legislature in the subsequent fiscal year.

(3) The department shall notify the subcommittees, the fiscal agencies, and the state budget office 30 days before proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.

(4) On or before February 1 of each year, the department shall provide a report to the subcommittees, the fiscal agencies, and the state budget office 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. 302. (1) The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1.

(2) The department shall notify members of the legislature of grants or contracts awarded to recipients located within a member's legislative district.

(3) As used in this section:

(a) "Contracts" includes, but is not limited to, contracts for delivery of groundwater/freshwater programs, MAEAP technical assistance, forest management, invasive species monitoring, and wildlife risk mitigation.

(b) "Grants" includes, but is not limited to, grants promoting proper pesticide disposal and research grants for the purpose of enhancing the agricultural industries in this state.

Sec. 303. (1) From the funds appropriated in part 1 for emerging contaminants in food and agriculture the department shall support efforts to identify and respond to the impacts of emerging contaminants to the food and agriculture sector, help address and mitigate current issues caused by emerging contaminants, and work to prevent and minimize future impacts. The department shall coordinate these efforts with other state agencies, federal agencies, tribal governments, local governments, institutions of higher learning, and the food and agriculture sector. Emerging contaminants include but are not limited to pesticides, dioxins, and per- and polyfluoroalkyl substances.

(2) The unexpended funds appropriated in part 1 for emerging contaminants in food and agriculture are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support efforts to identify and respond to the impacts of emerging contaminants to the food and agriculture sector, help address and mitigate current issues caused by emerging contaminants, and work to prevent and minimize future impacts.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The estimated cost of this project is $1,612,200.00.

(d) The tentative completion date for the work project is September 30, 2030.

BUREAU OF FOOD SAFETY AND ANIMAL HEALTH

Sec. 401. (1) The department shall report on the previous calendar year's activities of the bureau of food safety and animal health. The report must include information on activities and outcomes of the dairy safety and inspection program, the food safety inspection program, the foodborne illness and emergency response program, and the food service program.

(2) The report must include information on significant foodborne outbreaks and emergencies, including any significant enforcement actions taken related to food safety during the prior calendar year.

(3) The department shall include in the report all indemnification payments for livestock depredation made in the previous calendar year and shall include all of the following:

(a) The reason for the indemnification.

(b) The amount of the indemnification.

(c) The person for whom the indemnification was paid.

(4) The report must be transmitted on or before April 1 of each year.

Sec. 402. From the funds appropriated in part 1, the department shall pay for all whole herd bovine TB testing costs and individual animal testing costs in the modified accredited zone and buffer counties as referenced in the current memorandum of understanding between the department and the USDA to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

Sec. 403. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the current required memorandum of understanding between the department and the USDA.

Sec. 404. From the funds appropriated in part 1 for animal disease prevention and response, the department shall use $200,000.00 to cover costs associated with testing of registered privately owned cervid facilities as follows:

(a) Required surveillance testing for chronic wasting disease.

(b) Infected herd bovine TB testing.

Sec. 405. (1) On or before October 15 of each year, the department shall provide to the standard report recipients a report on bovine TB status and department activities.

(2) For each fiscal quarter following the report required in subsection (1), the department shall provide an update. The quarterly update reports must identify significant impacts to the program, including new incidence of bovine TB in this state, department activity associated with specific new incidence of bovine TB, any changes in USDA requirements or movement orders, and information and data on wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements; efforts to work with slaughter facilities in this state, as well as those that slaughter a significant number of animals from this state; and educational programs and information for this state's livestock community.

Sec. 406. From the funds appropriated in part 1 for Michigan animal agriculture alliance, the department shall work with animal industry representatives and state research universities to continue an animal research grant program.

BUREAU OF ENVIRONMENT AND SUSTAINABILITY

Sec. 501. The department shall report on the previous calendar year's activities of the bureau of environment and sustainability on or before April 1 of each year.

Sec. 502. (1) The purpose of the part 1 appropriation for soil health/regenerative agriculture is to promote the usage and implementation of best regenerative agricultural farming practices and new technologies related to environmental sustainability.

(2) The purpose of the part 1 appropriation for soil health/regenerative agriculture is advancing the adoption of soil health and regenerative agriculture principles in agriculture in this state.

(3) From the funds appropriated in part 1 for soil health/regenerative agriculture, the department shall do both of the following:

(a) Promote the principles of soil health and regenerative agriculture through at least the following:

(*i*) The maintenance of soil cover.

(*ii*) The minimization of soil disturbance.

(*iii*) The maximization of plant and crop diversity.

(*iv*) The maximization of the presence of living roots.

(*v*) The integration of livestock into the cropping systems.

(b) Ensure that program outcomes include at least the following:

(*i*) The increase of soil organic matter content.

(*ii*) The improvement of soil water infiltration capacity.

(*iii*) The increase in soil water holding capacity.

(*iv*) The improvement of soil biological capacity to break down plant residue and other substances and to maintain soil aggregation.

(*v*) The improvement of soil nutrient sequestration and cycling capacity.

(*vi*) The reduction of nutrient losses.

(*vii*) The increase of carbon sequestration capacity of soil.

(4) From the funds appropriated in part 1 for soil health/regenerative agriculture, the department shall promote practices of soil health and regenerative agriculture, including the use of no-till farming, intercropping, cover crops, multispecies cover crops, roller crimping, managed rotational grazing, and other practices identified that utilize natural biological processes to advance the goals of soil health and regenerative agriculture.

(5) No funds appropriated in part 1 for soil health/regenerative agriculture may be used for applied research into the precision application of fertilizer, pesticides, or herbicides.

(6) It is the intention of the legislature that the department engage with program partners to achieve the purposes of the soil health/regenerative agriculture programs through research, education, and outreach. Program partners include, but are not limited to, farmer-to-farmer networks, Michigan State University Extension, Michigan State University AgBioResearch, the USDA Natural Resources Conservation Service, local conservation districts, and other nongovernmental organizations. Agreements with program partners receiving funds through soil health/regenerative agriculture appropriations must describe intended outcomes and how intended outcomes will be measured and require the provision of a report to the department on uses of funding received and a progress report on outcomes.

(7) The department may use state employees or contract service providers, or both, to achieve the purposes of the soil health/regenerative agriculture programs.

(8) In the report required under section 501 of this part, the department shall provide information on the program described in this section, including department activities, uses of program funds by activity or project, contractors, grantees, and a summary of projects and project results.

(9) Of the funds appropriated in part 1 for soil health/regenerative agriculture, not less than $1,000,000.00 must be used by the department to partner with the state land grant university through MSU Extension and AgBioResearch to develop, implement, and evaluate a soil health/regenerative agriculture program. The partnership described in this subsection must be focused on researching and assisting the agricultural industry in implementing soil health/regenerative agricultural principles and techniques. Partnership goals must include, but are not limited to, establishing program priorities, developing metrics, implementing goals, evaluating outcomes, and engaging with stakeholders.

Sec. 503. Not later than April 1, the department shall prepare a report to be posted on the department's website and provided to the relevant house and senate standing committees and appropriations subcommittees as well as to the fiscal agencies and state budget office. The report must contain the following information for agriculture nutrient best management voluntary practices program:

(a) The number and location of acres enrolled in nutrient management or other best management practices.

(b) The number of acres enrolled that were not previously verified under the MAEAP.

(c) A summary of practices implemented and available incentive programs.

(d) The starting and ending balances of the program.

(e) A summary of outreach and training efforts.

(f) Testing results.

Sec. 505. The funds appropriated in part 1 for environmental stewardship/MAEAP must be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill.

Sec. 506. The department may receive and expend federal revenues up to a total of $1,000,000.00 in excess of the federal revenue appropriated in part 1 for environmental stewardship and MAEAP activities. The department shall notify the subcommittees, the fiscal agencies, and the state budget office prior to expending federal revenues authorized under this section.

Sec. 507. (1) From the appropriations in part 1 for local conservation districts, $3,000,000.00 must be distributed through a grant program to local conservation districts in this state that were in operation in the previous fiscal year based upon criteria established by the department.

(2) On or before April 1, the department shall report on the previous calendar year's activities of local conservation districts. The report must include descriptions of local conservation district activities and the use of funding. In preparing this report, the department shall coordinate with representatives of local conservation districts.

LABORATORY AND CONSUMER PROTECTION BUREAU

Sec. 601. The department shall report by April 1 on the previous calendar year's activities of the laboratory bureau.

Sec. 602. No funds from the appropriations in part 1 may be used for the purpose of consolidating state-run laboratories.

AGRICULTURE DEVELOPMENT BUREAU

Sec. 701. (1) From the funds appropriated in part 1 for the food and agriculture investment program, the department shall operate a food and agriculture investment program.

(2) The food and agriculture investment program shall do all of the following:

(a) Expand the Michigan food and agriculture sector.

(b) Promote food security.

(c) Develop local and regional food systems.

(d) Grow Michigan exports.

(e) Promote the development of value-added agricultural production.

(f) Support urban farms, food hubs, food incubators, and community-based processing facilities with a focus on new and expanding protein processors.

(g) Promote the expansion of farm markets, flower markets, and urban agriculture, including hoop houses.

(h) Increase food processing activities within this state by accelerating investment projects and infrastructure development that support growth in production agriculture and food and agriculture processing, expand opportunity to new agricultural producers and processors, promote agriculture tourism and agricultural heritage, and develop agricultural education and interpretation activities.

(3) In addition to the funds appropriated in part 1, the department may receive and expend funds received from outside sources for the food and agriculture investment program.

(4) Before the allocation of funding, all projects must receive approval from the Michigan commission of agriculture and rural development, except for projects selected through a competitive process by a joint evaluation committee selected by the director and consisting of representatives that have agriculture, food security, local and regional food systems, business, and economic development expertise. Projects funded through the food and agriculture investment program will be required to have a grant agreement that outlines milestones and activities that must be met in order to receive a disbursement of funds. Projects must also identify measurable project outcomes.

(5) The department shall include, in the agriculture development annual report, a report on the food and agriculture investment program for the previous fiscal year that includes a listing of the grantees, award amounts, match funding, project locations, and project outcomes.

(6) The unexpended funds appropriated in part 1 for the food and agriculture investment program are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to promote and expand the Michigan food and agriculture sector, grow Michigan exports, and increase food processing activities within the state.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The estimated cost of this project is identified in the appropriation line item.

(d) The tentative completion date for the work project is September 30, 2028.

(7) The department may expend money from the funds appropriated in part 1 for the food and agriculture investment program, including all of the following activities:

(a) Grants.

(b) Loans or loan guarantees.

(c) Infrastructure development.

(d) Other economic assistance.

(e) Program administration.

(f) Export assistance.

(8) The department shall expend no more than 5% from the funds appropriated in part 1 for the food and agriculture investment program for administrative purposes.

(9) In awarding grants under the food and agriculture investment program, the department shall identify and encourage applications from members of socially disadvantaged groups, women, veterans, and beginning farmers and ranchers. In awarding grants under the food and agriculture investment program, the department must also prioritize Michigan-based small businesses, nonprofits, and organizations promoting agriculture and food security activities.

Sec. 703. (1) From the funds appropriated in part 1 for fair food network – double up food bucks, the department shall work with the fair food network to ensure that at least 80% of the funds allocated to the double up food bucks program are directly used for the payments to participating vendors.

(2) The department shall work with the department of health and human services to do all of the following:

(a) Notify recipients of food assistance program benefits that food assistance program benefits can be accessed at many farmer's markets in this state with bridge cards.

(b) Notify recipients of food assistance program benefits about the double up food bucks program and that it is administered by the fair food network. Food assistance program recipients shall receive information about the double up food bucks program.

(3) The department shall work with the fair food network to expand access to the double up food bucks program in each of the state's counties with grocery stores or farmer's markets that meet the program's eligibility requirements.

(4) On or before June 1, the department shall submit a report on activities and outcomes of the double up food bucks program. The report must contain all of the following:

(a) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name and location of vendors, as of May 1, 2024.

(b) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name of location of vendors, as of May 1, 2025. The report must highlight counties and vendors added to the program since May 1, 2024.

(c) Number of individuals participating in the program, by county.

Sec. 706. (1) By not later than April 1, the department shall report on the previous calendar year's activities of the agriculture development bureau.

(2) The report described in subsection (1) must include the following information on any grants awarded during the prior fiscal year:

(a) The name of the grantee.

(b) The amount of the grant.

(c) The purpose of the grant, including measurable outcomes.

(d) Additional state, federal, private, or local funds contributed to the grant project.

(e) The completion date of grant-funded activities.

(3) The report must include the following information on the Michigan craft beverage council established under section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

(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 previous fiscal year and the results of research grant projects completed during the previous fiscal year.

(4) The report must identify grant recipients who are members of socially disadvantaged groups, women, veterans, and beginning farmers and ranchers.

Sec. 707. Unexpended industry support fund revenues at the end of the fiscal year may be carried forward into the industry support fund in the succeeding fiscal year and do not lapse to the general fund.

Sec. 708. (1) The appropriations in part 1 for the qualified forest program are for the purpose of increasing the knowledge of nonindustrial private forestland owners regarding sound forest management practices and increasing the amount of commercial timber production from those lands.

(2) The department shall work in partnership with stakeholder groups and other state and federal agencies to increase the active management of nonindustrial private forestland to foster the growth of this state's timber product industry.

Sec. 709. From the funds appropriated in part 1, the department shall maintain coordination with the department of treasury to improve the timely processing and issuance of tax credits under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and open space preservation program under parts 361 and 362 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36116 and 324.36201 to 324.36207. The improvement of timely processing and issuance, as described in this section, includes, but is not limited to:

(a) Timely review of mailed applications and paperwork.

(b) Timely and proactive communications to applicants on the status of their application.

(c) The provision of a clear and understood timeline for the issuance of any tax credits.

Sec. 710. The department shall collaborate with the department of labor and economic opportunity's office of rural prosperity on the rural development fund grant program as part of the state's coordinated strategy for achieving rural prosperity across the state.

FAIRS AND EXPOSITIONS

Sec. 801. All appropriations from the agriculture equine industry development fund must be spent on equine-related purposes. No funds from the agriculture equine industry development fund may be expended for non-equine-related purposes without prior approval of the legislature.

Sec. 802. From the funds appropriated in part 1 from agriculture equine industry development funds, available revenue must be allocated in the following priority order:

(a) To support all administrative, contractual, and regulatory costs incurred by the department and the Michigan gaming control board.

(b) Any remaining funds collected through September 30, 2025, after the obligations in subdivision (a) have been met, must be prorated among the county fairs, supplements, breeders' awards, and sire stakes awards to eligible race meeting licensees in accordance with section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Sec. 803. From the funds appropriated in part 1 from purses and supplements – fairs/licensed tracks, $720,000.00 may be spent only if there is no standardbred race meeting in this state that is licensed under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336, by January 1, 2026.

Sec. 805. (1) From the funds appropriated in part 1 for county fairs, shows, and expositions, the department shall establish and administer a county fairs, shows, and expositions grant program. The program must have the following objectives:

(a) Assist in the financing of building improvements or other capital improvements at county fairgrounds of this state.

(b) Provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in this state.

(2) The department shall award grants on a competitive basis to county fairs or other organizations from the funds appropriated in part 1 for county fairs, shows, and expositions grants. Grantees will be required to provide a 50% cash match with grant awards and identify measurable project outcomes. A county fair organization that received a county fair capital improvement grant in the prior fiscal year must not receive a grant from the appropriation in part 1.

(3) From the amount appropriated in part 1 for county fairs, shows, and expositions, up to $25,000.00 must be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions and festivals in this state.

(4) All fairs receiving grants under this section must provide a report to the department on the financial impact resulting from the capital improvement project on both fair and nonfair events. These reports are due for 3 years immediately following the completion of the capital improvement project.

(5) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

(6) The department may expend money from the funds appropriated in part 1 for the county fairs, shows, and expositions for administering the program.

(7) The unexpended portion of the appropriation in part 1 for county fairs, shows, and expositions grants are designated as a work project appropriation and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support building improvements or other capital improvements at county fairgrounds of this state.

(b) All grants will be distributed in accordance with this section and the grant guidelines published prior to the request for proposals.

(c) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(d) The estimated cost of the project is $500,000.00.

(e) The tentative completion date for the work project is September 30, 2028.

(8) The department shall provide a year-end report on the county fairs, shows, and expositions grants no later than December 1, 2026 that includes a listing of the grantees, award amounts, match funding, project outcomes, and department costs of grant administration.

ARTICLE 2

DEPARTMENT OF CORRECTIONS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of corrections for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF CORRECTIONS			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	16.0		
Full-time equated classified positions	12,758.0		
GROSS APPROPRIATION		**$**	**2,163,994,500**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**2,163,994,500**
Federal revenues:			
Total federal revenues			5,203,700
Special revenue funds:			
Total local revenues			275,000
Total private revenues			0
Total other state restricted revenues			30,304,100
State general fund/general purpose		**$**	**2,128,211,700**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	16.0		
Full-time equated classified positions	412.0		
Unclassified salaries—FTEs	16.0	$	2,362,900
Administrative hearings officers			4,070,200
Budget and operations administration—FTEs	316.0		45,097,300
Compensatory buyout and union leave bank			100
County jail reimbursement program			14,564,600
Employee wellness programming—FTEs	8.0		2,395,600
Equipment and special maintenance			1,559,700
Executive direction—FTEs	28.0		5,515,200
Judicial data warehouse user fees			50,600
New custody staff training			23,815,400
Prison industries operations—FTEs	60.0		10,309,100
Property management			2,638,000

			For Fiscal Year Ending Sept. 30, 2026
Prosecutorial and detainer expenses		$	2,551,000
Worker's compensation			8,770,900
GROSS APPROPRIATION		**$**	**123,700,600**
Appropriated from:			
Federal revenues:			
DOJ, prison rape elimination act grant			674,700
Special revenue funds:			
Correctional industries revolving fund			10,309,100
Correctional industries revolving fund 110			721,600
Jail reimbursement program fund			5,900,000
State general fund/general purpose		**$**	**106,095,200**
Sec. 103. OFFENDER SUCCESS ADMINISTRATION			
Full-time equated classified positions	330.9		
Community corrections comprehensive plans and services		$	14,198,100
Criminal justice reinvestment			1,448,400
Education/skilled trades/career readiness programs—FTEs	249.9		39,336,400
Enhanced food technology program—FTEs	11.0		1,586,200
Higher education in prison			1,250,000
Offender success community partners			18,925,000
Offender success federal grants			751,000
Offender success programming			15,742,200
Offender success services—FTEs	70.0		15,905,400
Probation residential services			13,575,500
GROSS APPROPRIATION		**$**	**122,718,200**
Appropriated from:			
Federal revenues:			
DOJ, prisoner reintegration			751,000
Federal education revenues			1,632,800
State general fund/general purpose		**$**	**120,334,400**
Sec. 104. FIELD OPERATIONS ADMINISTRATION			
Full-time equated classified positions	1,703.5		
Field operations—FTEs	1,672.5	$	229,599,100
Parole board operations—FTEs	31.0		3,936,100
Parole/probation services			940,000
GROSS APPROPRIATION		**$**	**234,475,200**
Appropriated from:			
Special revenue funds:			
Community tether program reimbursement			275,000
Reentry center offender reimbursements			10,000
Supervision fees			6,630,500
Supervision fees set-aside			940,000
State general fund/general purpose		**$**	**226,619,700**
Sec. 105. CORRECTIONAL FACILITIES ADMINISTRATION			
Full-time equated classified positions	678.0		
Body-worn cameras—FTEs	8.0	$	3,821,800
Central records—FTEs	43.0		4,911,100
Contraband prevention			2,750,000
Correctional facilities administration—FTEs	37.0		6,980,900
Housing inmates in federal institutions			511,000
Inmate housing fund			100
Inmate legal services			290,900
Intelligence unit—FTEs	30.0		4,068,700
Leased beds and alternatives to leased beds			100
Prison food service—FTEs	324.0		77,370,600

			For Fiscal Year Ending Sept. 30, 2026
Prison store operations—FTEs	32.0	$	3,645,400
Transportation—FTEs	204.0		35,932,600
GROSS APPROPRIATION		**$**	**140,283,200**
Appropriated from:			
Federal revenues:			
DOJ-BOP, federal prisoner reimbursement			411,000
SSA-SSI, incentive payment			272,000
Special revenue funds:			
Correctional industries revolving fund 110			886,400
Resident stores			3,645,400
State general fund/general purpose		**$**	**135,068,400**
Sec. 106. HEALTH CARE			
Full-time equated classified positions	1,475.3		
Clinical complexes—FTEs	984.3	$	177,805,900
Health care administration—FTEs	18.0		3,765,900
Healthy Michigan plan administration—FTEs	12.0		1,069,200
Hepatitis C treatment			7,499,100
Interdepartmental grant to health and human services, eligibility specialists			120,200
Mental health and substance use disorder treatment services—FTEs	461.0		67,780,200
Prisoner health care services			117,540,700
Vaccination program			691,200
GROSS APPROPRIATION		**$**	**376,272,400**
Appropriated from:			
Federal revenues:			
Federal revenues and reimbursements			427,400
Special revenue funds:			
Prisoner health care co-payments			257,200
State general fund/general purpose		**$**	**375,587,800**
Sec. 107. CORRECTIONAL FACILITIES			
Full-time equated classified positions	8,158.3		
Alger Correctional Facility - Munising—FTEs	259.0	$	32,805,000
Baraga Correctional Facility - Baraga—FTEs	279.8		37,589,000
Bellamy Creek Correctional Facility - Ionia—FTEs	414.1		54,570,100
Carson City Correctional Facility - Carson City—FTEs	422.4		55,294,600
Central Michigan Correctional Facility - St. Louis—FTEs	385.0		53,477,300
Charles E. Egeler Correctional Facility - Jackson—FTEs	374.6		52,918,000
Chippewa Correctional Facility - Kincheloe—FTEs	443.6		58,868,600
Cooper Street Correctional Facility - Jackson—FTEs	254.6		31,111,800
Earnest C. Brooks Correctional Facility - Muskegon—FTEs	248.2		35,196,300
G. Robert Cotton Correctional Facility - Jackson—FTEs	375.0		47,549,700
Gus Harrison Correctional Facility - Adrian—FTEs	285.4		41,677,200
Ionia Correctional Facility - Ionia—FTEs	286.3		39,964,900
Kinross Correctional Facility - Kincheloe—FTEs	222.0		33,852,800
Lakeland Correctional Facility - Coldwater—FTEs	272.4		38,226,700
Macomb Correctional Facility - New Haven—FTEs	313.3		43,326,900
Marquette Branch Prison - Marquette—FTEs	319.7		39,729,700
Muskegon Correctional Facility - Muskegon—FTEs	217.3		31,806,000
Newberry Correctional Facility - Newberry—FTEs	200.1		28,319,600
Oaks Correctional Facility - Eastlake—FTEs	289.4		40,701,900
Parnall Correctional Facility - Jackson—FTEs	262.5		33,877,400
Richard A. Handlon Correctional Facility - Ionia—FTEs	268.3		37,046,700
Saginaw Correctional Facility - Freeland—FTEs	268.6		38,521,700
Special Alternative Incarceration Program - Jackson—FTEs	26.2		3,639,000
St. Louis Correctional Facility - St. Louis—FTEs	302.9		43,821,100

			For Fiscal Year Ending Sept. 30, 2026
Thumb Correctional Facility - Lapeer—FTEs	295.6	$	41,526,300
Women's Huron Valley Correctional Complex - Ypsilanti—FTEs	494.8		67,125,200
Woodland Correctional Facility - Whitmore Lake—FTEs	287.2		42,564,300
Northern region administration and support—FTEs	42.0		4,594,100
Southern region administration and support—FTEs	48.0		18,469,800
GROSS APPROPRIATION		**$**	**1,128,171,700**
Appropriated from:			
Federal revenues:			
DOJ, state criminal assistance program			1,034,800
Special revenue funds:			
State restricted fees, revenues, and reimbursements			102,100
State general fund/general purpose		**$**	**1,127,034,800**
Sec. 108. INFORMATION TECHNOLOGY			
Information technology services and projects		$	31,623,200
GROSS APPROPRIATION		**$**	**31,623,200**
Appropriated from:			
Special revenue funds:			
Correctional industries revolving fund 110			183,000
Supervision fees set-aside			718,800
State general fund/general purpose		**$**	**30,721,400**
Sec. 109. ONE-TIME APPROPRIATIONS			
Correctional facility count and callout process automation		$	1,500,000
Financial support for correctional facilities			3,216,600
Higher education in prison			850,000
Peer recovery coaches			650,000
Women's Huron Valley Correctional Complex - Ypsilanti			533,400
GROSS APPROPRIATION		**$**	**6,750,000**
Appropriated from:			
State general fund/general purpose		**$**	**6,750,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $2,158,515,800.00 and total state spending under part 1 from state sources to be paid to local units of government is $118,042,500.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS		
Community corrections comprehensive plans and services	$	14,198,100
County jail reimbursement program		14,564,600
Field Operations		73,153,200
Leased beds and alternatives to leased beds		100
Probation residential services		13,575,500
Prosecutorial and detainer expenses		2,551,000
TOTAL	**$**	**118,042,500**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.

(b) "Department" means the department of corrections.

(c) "Director" means the director of the department.

(d) "DOJ" means the United States Department of Justice.

(e) "DOJ-BOP" means the DOJ Bureau of Prisons.

(f) "Evidence-based" means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.

(g) "FTE" means full-time equated position in the classified service of this state.

(h) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce repeat offending, criminogenic and high-risk behaviors, prison commitment rates, the length of stay in a jail, or to improve the utilization of a jail.

(i) "Jail" means a facility operated by a local unit of government for the physical detention and correction of individuals charged with or convicted of criminal offenses.

(j) "OCC" means the office of community corrections.

(k) "Offender success" means that an offender has, with the support of the community, intervention of the field agent, and benefit of any participation in programs and treatment, made an adjustment while at liberty in the community such that the offender has not been sentenced to or returned to prison for the conviction of a new crime or the revocation of probation or parole.

(*l*) "Recidivism" means that term as defined in section 1 of 2017 PA 5, MCL 798.31.

(m) "Serious emotional disturbance" means that term as defined in section 100d(3) of the mental health code, 1974 PA 258, MCL 330.1100d.

(n) "Serious mental illness" means that term as defined in section 100d(4) of the mental health code, 1974 PA 258, MCL 330.1100d.

(o) "SSA" means the United States Social Security Administration.

(p) "SSA-SSI" means SSA supplemental security income.

(q) "Standard report recipients" means the senate and house appropriations subcommittees on corrections and judiciary, the senate and house fiscal agencies, the senate and house policy offices, the legislative corrections ombudsman, and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department or a prisoner because the employee or prisoner communicates with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 208. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed upon business hours.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,500,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for local contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 213. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of the local health officer.

Sec. 214. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises 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 geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 215. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 216. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 217. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 218. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees, the joint committee on administrative rules, the senate standing committee on civil rights, judiciary, and public safety, and the house standing committee on criminal justice.

Sec. 219. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 220. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 221. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 222. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 223. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $165,581,500.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $149,344,200.00. Total appropriations for retiree health care legacy costs for the department are estimated at $16,237,300.00.

Sec. 224. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 225. The department shall make each report required under this act readily accessible to the public and conspicuously post each required report in a single archivable location on the department's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 226. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 227. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. For 3 years after a felony offender is released from the department's jurisdiction, the department shall maintain the offender's file on the offender tracking information system and make it publicly accessible in the same manner as the file of the current offender. The department shall immediately remove the offender's file from the offender tracking information system upon determination that the offender was wrongfully convicted and the offender's file is not otherwise required to be maintained on the offender tracking information system.

Sec. 302. From the funds appropriated in part 1, the department shall submit a report not later than March 1 on the department's staff retention strategies. The report must include, but not be limited to, all of the following:

(a) The department's strategies on how to improve employee engagement, how to improve employee wellness, and how to offer additional training and professional development for employees, including metrics the department is using to measure success of employee wellness programming.

(b) Mechanisms by which the department receives employee feedback in areas under subdivision (a) and how the department considers suggestions made by employees.

(c) Steps the department has taken, and future plans and goals the department has for retention and improving employee wellness.

Sec. 303. (1) From the funds appropriated in part 1, the department shall submit a report not later than March 1 on the number of employee departures. The report must include all of the following:

(a) The number of corrections officers that departed from employment at a state correctional facility in the previous fiscal year and the number of years they worked for the department.

(b) A chart that shows the normal distribution of employee departures in the positions described under subdivision (a) based on years of service. Years of service must be grouped into the following ranges: 1 to 3 years, 3 to 5 years, 5 to 10 years, 10 to 15 years, 15 to 20 years, and 20 and more years.

(c) A section that shows the distinction between all of the following:

(*i*) Recruits who are in training at the academy that depart employment.

(*ii*) Recruits who are in training at a facility that depart employment.

(*iii*) Employees who have been on the job that depart employment.

(2) The department shall review all reasons for employee departures and summarize in the report required under this section the primary reasons for departure for each of the ranges of years of service described under subdivision (1)(b) based on the available responses.

Sec. 304. Funds appropriated in part 1 for prosecutorial and detainer expenses must be used to reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 305. The department shall provide fiduciary oversight of funds received under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 306. From the funds appropriated in part 1, the department shall issue a report not later than March 1 for all vendor contracts. The report must cover service contracts with a value of $500,000.00 or more and include all of the following:

(a) The original start date and the current expiration date of each contract.

(b) The number of available option years.

(c) The number, if any, of contract compliance monitoring site visits completed by the department for each vendor in the previous fiscal year.

(d) The number and amount of fines in the previous fiscal year for service-level agreement noncompliance for each vendor broken down by area of noncompliance.

Sec. 307. The department must ensure that a prisoner telephone system is maintained. The prisoner telephone system must meet ongoing operational needs of the department while maintaining the lowest per-minute rate possible. The department must provide notice at least 45 days in advance of each of the following taking effect:

(a) Changes to telephone rates.

(b) Extending the telephone contract, including the department exercising the option to extend the contract.

(c) Rebidding the telephone contract.

Sec. 308. From the funds appropriated in part 1, the department shall provide for the training of all custody staff in effective and safe ways of handling prisoners with mental illness and referring prisoners to mental health treatment programs. Mental health awareness training must be incorporated into the training of new custody staff.

Sec. 309. From the funds appropriated in part 1, the department shall issue a report for all correctional facilities not later than January 1 that includes all of the following information for each facility:

(a) The name, street address, and date of construction.

(b) The current maintenance costs.

(c) Any maintenance planned.

(d) The current utility costs.

(e) The expected future capital improvement costs.

(f) The current unspent balance of any authorized capital outlay projects, including the original authorized amount.

(g) The expected future useful life.

Sec. 310. From the funds appropriated in part 1, the department shall provide a report on the Michigan state industries program not later than December 1. The report must include, but is not limited to, all of the following information:

(a) The locations of the programs.

(b) The total number of participants at each location.

(c) A description of job duties and typical inmate schedules, and the products that are produced.

(d) How the program provides marketable skills that lead to employable outcomes after release from a department facility.

Sec. 311. (1) Funds appropriated in part 1 for employee wellness programming must be used for post-traumatic stress outreach, treating mental health issues, peer support programs, and providing mental health programming for all department staff, including former employees.

(2) Not later than December 15, the department shall submit a report on programs the department has established, the level of employee involvement, and expenditures made by the department for employee wellness programming.

Sec. 312. (1) From the funds appropriated in part 1 for new custody staff, the department shall work to hire and train new corrections officers to address attrition of corrections officers and to decrease overtime costs. The department shall submit quarterly reports on new employee schools. The reports must include all of the following information for the immediately preceding fiscal quarter, and as much of the information as possible for the current and next fiscal year:

(a) The number of new employee schools that took place and the location of each.

(b) The number of recruits that started in each employee school.

(c) The number of recruits that graduated from each employee school and continued employment with the department.

(2) Third quarter reports must outline steps the department has taken to obtain the highest number of recruits possible for each new employee school. A report prepared under this subsection must include, but is not limited to, all of the following information:

(a) Internal sources of recruitment, including transfers and promotions.

(b) External sources of recruitment, including advertisements.

(c) Job portals, social networking platforms, placement agencies, job fairs, campus placements, or professional entities used for recruitment.

(d) Whether the department's website was used to advertise vacancies.

Sec. 313. From the funds appropriated in part 1, the department shall submit a quarterly report on the number of overtime hours worked by all custody staff, by facility. The report must include, for each facility, the reasons for overtime hours worked and the average number of overtime hours worked by active employees.

Sec. 314. From the funds appropriated in part 1, the department may establish agreements and exchange offender data with local, state, and federal agencies, law enforcement, community service and treatment providers, and research partners in order to improve offender success, reduce recidivism risk, and enhance public safety. This data sharing may include, but is not limited to, efforts to support all of the following:

(a) Providing continuing access to behavioral health, physical health, and medication needs through community-based providers.

(b) Establishing assistance program eligibility and participation.

(c) Collaborating with community service providers for continued care and access to services for offenders.

(d) Providing ongoing cognitive and behavioral treatment programming in the community.

(e) Providing substance abuse testing and referrals for counseling services and treatment.

(f) Providing vocational skill training, job placement support, and monitoring employment attainment.

(g) Determining educational attainment and needs.

(h) Establishing accurate offender identification, criminal histories, and monitoring new criminal activity.

(i) Measuring and evaluating treatment programs and services in support of evidence-based practices.

Sec. 315. From the funds appropriated in part 1, the department shall submit 3-year and 5-year prison population projection updates not later than April 1, including explanations of the methodology and assumptions used in developing the projection updates.

Sec. 316. From the funds appropriated in part 1, the department shall provide an annual statistical report for the preceding calendar year on the department's website not later than June 30. The statistical report must include, but not be limited to, the types of information as provided in the 2022 statistical report.

Sec. 317. From the funds appropriated in part 1, the department shall report the reincarceration recidivism rates of offenders based on available data.

Sec. 318. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails certain felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program must be used to reimburse counties for convicted felons in the custody of the sheriff if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H or a nonperson crime in crime class F under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in subdivision (a).

(c) The felon was sentenced to jail for a felony committed while the felon was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(3) State reimbursement under this section must be $70.00 per diem per diverted offender for offenders with a presumptive prison guideline score, $60.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and $45.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements must be paid for sentences up to a 1-year total.

(4) County jail reimbursement program expenditures must not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program must be made in the order in which properly documented requests for reimbursements are received. A request is properly documented if it meets departmental requirements for documentation. Not later than October 15, the department shall distribute the documentation requirements to all counties.

(5) Any county that receives funding under this section for the purpose of housing in jails certain felons who otherwise would have been sentenced to prison shall, as a condition of receiving the funding, report not later than September 30 an annual average jail capacity and annual average jail occupancy for the previous fiscal year.

(6) Not later than February 1, the department shall report all of the following information:

(a) The number of inmates sentenced to the custody of the sheriff and eligible for the county jail reimbursement program.

(b) The total amount paid to counties under the county jail reimbursement program.

(c) The total number of days inmates were in the custody of the sheriff and eligible for the county jail reimbursement program.

(d) The number of inmates sentenced to the custody of the sheriff under each of the 3 categories: presumptive prison, group 1 crime, and group 2 crime in subsection (3).

(e) The total amount paid to counties under each of the 3 categories: presumptive prison, group 1 crime, and group 2 crime in subsection (3).

(f) The total number of days inmates were in the custody of the sheriff under each of the 3 categories: presumptive prison, group 1 crime, and group 2 crime in subsection (3).

(g) The estimated cost of housing inmates sentenced to the custody of the sheriff and eligible for the county jail reimbursement program as inmates of a state prison.

(7) As used in this section:

(a) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(b) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle offenses, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

(c) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and either is housed in a county jail, is in custody but is being housed at a hospital or medical facility for a medical or mental health purpose, or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

Sec. 319. (1) From the funds appropriated in part 1, the department shall provide all of the following information on the offender population in a monthly report:

(a) Prison population by facility and security level, including the population of prisoners under the department's jurisdiction housed in county jails.

(b) Net operating capacity according to the most recent certification report.

(c) Electronic monitoring populations.

(d) Parole populations.

(e) Probation populations, with identification of the number of offenders in special alternative incarceration.

(2) From the funds appropriated in part 1, the department shall provide all of the following information on the offender population in a quarterly report:

(a) The number of closed housing units and beds in those units, including the security level of closed beds.

(b) The number of prisoners serving life sentences.

(c) The number of prisoners classified as past their earliest release date.

(d) The number of prisoner intakes during the previous quarter.

(e) The number of prisoner exits, including paroles, maximum discharges, and other exits during the previous quarter.

(3) If the department knows it will not meet the reporting requirements under this section, the department shall immediately issue a report that states that fact and that lists the reasons for not meeting the reporting requirements.

Sec. 320. On a quarterly basis, the department shall report on all of the following:

(a) A detailed accounting of all correction officer positions at each correctional facility, including positions that are filled and positions that are vacant by facility.

(b) A detailed accounting of all vacant positions that are health care related.

Sec. 321. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, union steward activities, and public works programs and services provided to local units of government or private nonprofit organizations. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

Sec. 322. The department shall provide the state court administrative office data sufficient to administer the swift and sure sanctions program.

Sec. 323. From the unexpended and unencumbered funds lapsed by the department of corrections into the general fund at the end of the fiscal year ending September 30, 2025, an amount not to exceed $30,000,000.00 is appropriated and available for expenditure by the department to support prisoner health care costs.

OFFENDER SUCCESS ADMINISTRATION

Sec. 401. (1) From the funds appropriated in part 1, the department shall provide a report not later than March 1 on offender success expenditures, allocations, and performance. The report must include, but not be limited to, details on prior-year expenditures, including amounts spent on each project funded, itemized by service provided and service provider. Reported performance factors must be reported by region and must include, but not be limited to, all of the following:

(a) The number of individuals who received transitional housing services.

(b) The average length of stay in transitional housing.

(c) The number of individuals who received a referral for economic stability assistance and the number of referred individuals who secured employment or enrolled in education/training to increase economic stability.

(d) The number of referred individuals who maintained employment for 12 months or more.

(e) The total amount of leveraged services secured by the contractor.

(2) As used in this section, "leveraged services" means services that benefit clients that are not directly paid for by the department, such as educational scholarships or grants, workforce training grants, or housing choice vouchers.

(3) The department may accept cash or in-kind donations to supplement funds for prison education training, supplies, and materials necessary to complete the academic and jobs skills related programs. All funds received are appropriated and may be expended by the department. Any unexpended or unencumbered donations at the end of the fiscal year shall not lapse to the general fund but shall be carried forward to the subsequent fiscal year.

Sec. 402. From the funds appropriated in part 1 for offender success services, the department, when reasonably possible, shall ensure that inmates have potential employer matches in the communities to which they will return prior to each inmate's initial parole hearing.

Sec. 403. (1) From the funds appropriated in part 1, the department shall design services for offender success and vocational education programs, collaborating with the department of labor and economic opportunity and local entities to the extent deemed necessary by the director. The department shall ensure the program provides relevant professional development opportunities to prisoners that are high quality, demand driven, locally receptive, and responsive to the needs of communities where the prisoners are expected to reside after their release from correctional facilities.

(2) Not later than March 1, the department shall provide a report detailing the results of the workforce development program.

Sec. 404. Funds awarded for probation residential services in part 1 must provide for all of the following:

(a) An initial client assessment reimbursement of $200.00.

(b) A per diem reimbursement of not more than $70.00.

Sec. 405. Allowable uses of community corrections comprehensive plans and services funds must include reimbursing counties for transportation, treatment costs, and housing drunk drivers during a period of assessment for treatment and case planning, in accordance with an approved comprehensive plan. Reimbursements for housing during the assessment process must be at the rate of $43.50 per day per offender, up to a maximum of 5 days per offender.

Sec. 406. (1) From the funds appropriated in part 1, the department shall submit the following information for each county and counties consolidated for community corrections comprehensive plans:

(a) Approved technical assistance grants and community corrections comprehensive plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, by prior record variable score, by number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(f) Data on the use of funding made available under the drunk driver jail reduction and community treatment program.

(2) The report required under subsection (1) must include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 407. From the funds appropriated in part 1, the department shall establish and maintain policies and procedures that assist prisoners with obtaining a birth certificate, duplicate Social Security card, if eligible, DD Form 214 or other military documentation, state identification card, and operator's license before parole or discharge.

Sec. 408. (1) Funds appropriated in part 1 for higher education in prison must be used by the department in collaboration with accredited universities or colleges to provide incarcerated individuals the opportunity to participate in comprehensive bachelor's degree programs at no cost to the incarcerated individual. The funds must be used for eligible expenses including staffing, supplies, and tuition.

(2) Universities and colleges that receive funding under this section must report not later than July 1 on all of the following, by correctional facility:

(a) Expenditure of funds.

(b) Number of participants served.

(c) Enrollments, by race and gender.

(d) Number of participants who completed the program.

Sec. 409. From the funds appropriated in part 1 for enhanced food technology program, the department shall maintain a program that provides on-the-job training in prison kitchens that provides prisoners the opportunity to earn food service training credentials recognized by the restaurant industry. The department shall use the funds appropriated in part 1 for enhanced food technology program to collaborate with the Michigan Restaurant and Lodging Association and other restaurant industry stakeholders to provide job placement assistance to individuals on probation or parole.

Sec. 410. From the funds appropriated in part 1, the department shall ensure that any inmate with a diagnosed mental illness is referred to a local mental health care provider that is able and willing to treat the inmate upon parole or discharge. Upon referral, the department shall ensure that the provider is informed of the inmate's current treatment plan including any medications that are currently prescribed to the inmate.

Sec. 411. From the funds appropriated in part 1, the department shall report not later than March 1 on academic and vocational programs, including, but not limited to, all of the following:

(a) The number of instructors and the number of instructor vacancies, by program and facility.

(b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who do not complete each program, and the number of prisoners on waiting lists for each program.

(c) The racial demographics of prisoners enrolled in each program.

(d) The steps the department has undertaken to improve programs, track records, accommodate transfers and prisoners with health care needs, and reduce waiting lists.

(e) The number of prisoners paroled without a high school diploma or a high school equivalency.

(f) The number of prisoners not paroled at their earliest release date because of a lack of a high school equivalency and the reason those prisoners have not obtained a high school equivalency.

Sec. 412. From the funds appropriated in part 1, priority may be given to funding reentry or rehabilitation programs, including faith-based initiatives, that have been demonstrated to reduce prison violence and recidivism.

Sec. 413. (1) Funds appropriated in part 1 for criminal justice reinvestment must be used only to fund data collection and evidence-based programs designed to reduce recidivism among probationers, parolees, and prisoners.

(2) The department shall report on programs described under this section not later than March 30. The report must include all of the following:

(a) The reincarceration recidivism rate of program participants.

(b) The employment rate of participants who complete the program.

(c) The cost of the program per participant.

Sec. 414. Revenues appropriated and collected for program and special equipment funds must be considered state restricted revenue. Funding must be used for prisoner programming, special equipment, and security projects. Not less than 75% of funding must be used for prisoner programming. Unexpended funds remaining at the close of the fiscal year must not lapse to the general fund but must be carried forward and made available for appropriation in subsequent fiscal years.

Sec. 415. From the funds appropriated in part 1, the department shall report on the department's plans to eliminate programming for prisoners. The report must be provided not less than 30 days before program elimination. As used in this section, "programming for prisoners" means a department core program or career and technical education program funded in part 1.

FIELD OPERATIONS ADMINISTRATION

Sec. 501. (1) From the funds appropriated in part 1, the department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, from the funds appropriated in part 1, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) Not later than April 1, the department shall provide a report on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the previous fiscal year. The report must include the following information for probationers, for parolees after their first parole, and for parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The numbers of parole and probation violators returned to or sent to prison for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance use disorder violations. For parole technical rule violators, the report must list violations by type, by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(c) The educational history of those offenders, including the number of offenders who had a high school equivalency or high school diploma before incarceration in prison, the number of offenders who received a high school equivalency while in prison, and the number of offenders who received a vocational certificate while in prison.

(d) The number of offenders who participated in the reentry program versus the number of those who did not.

(e) The unduplicated number of offenders who participated in substance use disorder treatment programs, mental health treatment programs, or both, while in prison, itemized by diagnosis.

Sec. 502. From the funds appropriated in part 1, the department shall issue quarterly reports for the previous 4 quarters detailing outcomes of prisoners who have been reviewed for parole. The report must include all of the following:

(a) The number of prisoners in each quarter who were reviewed.

(b) The number of prisoners who were granted parole.

(c) The number of prisoners who were denied parole.

(d) The number of parole decisions that were deferred.

(e) The distribution of the total number of prisoners reviewed during that quarter grouped by whether the prisoner had been interviewed for the first, second, third, fourth, fifth, sixth, or more than sixth time.

(f) The number of paroles granted, denied, or deferred for each of the parole guideline scores of low, average, and high.

(g) The reason for denying or deferring parole.

Sec. 503. From the funds appropriated in part 1, the department shall submit a report not later than March 1 on the medically frail parole process for the previous fiscal year. The report must include, but not be limited to, the following:

(a) A de-identified list of incarcerated individuals who were considered for medically frail parole the previous year, including the following:

(*i*) Demographic data, including race or ethnicity, gender, and age.

(*ii*) The controlling offense of the individual.

(*iii*) A categorization of the medical condition that resulted in the individual being considered for medically frail parole.

(*iv*) If the individual was granted medically frail parole or not, and if not, the reason why medically frail parole was denied.

(b) The number of individuals who were previously granted medically frail parole that were returned to prison for a new offense or technical violation of parole.

(c) The number of individuals who were previously granted medically frail parole that were discharged from further parole supervision.

HEALTH CARE

Sec. 601. Not later than April 1, the department shall provide a report on all of the following:

(a) Physical and mental health care, pharmaceutical services, and durable medical equipment for prisoners. A report under this section must detail previous fiscal year expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts. A report under this section must include a breakdown of all payments to the integrated care provider and to other providers itemized by physical health care, mental health care, pharmaceutical services, and durable medical equipment expenditures.

(b) Pharmaceutical prescribing practices, including a detailed accounting of expenditures on antipsychotic medications, and any changes that have been made to the prescription drug formularies.

(c) A status report on efforts to develop measurable data and outcomes for physical and mental health care within the prisoner population.

Sec. 602. (1) From the funds appropriated in part 1, the department shall provide prisoners with a brochure that explains the purpose and importance of signing a medical release of information form. The department shall ensure that all prisoners, upon any health care treatment funded from appropriations in part 1, are given the opportunity to sign a medical release of information form designating a family member or other individual to whom the department shall release records and information regarding the prisoner upon the request of the prisoner. The prisoner may elect to withdraw or amend the medical release of information form at any time.

(2) The department shall ensure that a signed medical release of information form follows a prisoner upon transfer to another department facility or to the supervision of a parole officer.

(3) The medical release of information form must be placed online, on a public website managed by the department.

Sec. 603. From the funds appropriated in part 1, the department shall provide a report not later than April 1 on prisoner health care utilization in the previous fiscal year, by facility, that includes all of the following:

(a) The number of inpatient hospital days.

(b) The number of outpatient visits.

(c) The number of emergency room visits.

(d) The number of prisoners receiving off-site inpatient medical care.

(e) The top 10 most common chronic care conditions.

Sec. 604. Funds appropriated in part 1 for Hepatitis C treatment must be used only to purchase specialty medication for Hepatitis C treatment in the prison population. In addition to the above appropriation, any rebates received from the medications used must be used only to purchase specialty medication for Hepatitis C treatment. Not later than February 15, the department shall issue a report for the previous fiscal year that includes all of the following:

(a) The total amount spent on specialty medication for the treatment of Hepatitis C.

(b) The number of prisoners who were treated for Hepatitis C.

(c) The amount of any rebates that were received from the purchase of specialty medication, and what, if any, outstanding rebates are expected to be received.

(d) The Hepatitis C status of all incoming prisoners and the number of prisoners who are reinfected while incarcerated and require retreatment for Hepatitis C.

(e) The number of those treated and released and then retreated upon reincarceration.

Sec. 605. Not later than March 1, the department shall provide an annual report on the utilization of Medicaid benefits for prisoners.

Sec. 606. (1) From the funds appropriated in part 1, the department shall support medication-assisted treatment clinics at designated correctional facilities that allow the department to treat prisoners with opioid and alcohol use disorder while incarcerated. The department shall collaborate with substance use disorder treatment providers and community-based clinics to provide postrelease assessment and treatment. Funding must be used by the department to support costs of staff, including nurses, qualified mental health professionals, recovery coaches, and corrections officers, and costs of medication and supplies. Participating prisoners must be encouraged to receive 1 injection of nonaddictive medication, if clinically appropriate, before being released from prison into the community.

(2) The department shall submit quarterly reports on the operation of medication-assisted treatment clinics. A report under this subsection must include, but not be limited to, all of the following:

(a) Clinic site locations.

(b) A listing of medications used in medication-assisted therapies at each clinic site.

(c) The number of prisoners prescribed each medication under subdivision (b), including if the medication is an oral or injectable treatment.

(d) Total expenditures on clinic medications, including oral and injectable medications.

(e) The number of prisoners who received treatment in the community for a duration of at least 3 months.

Sec. 607. From the funds appropriated in part 1, the department shall submit a report not later than March 1 that includes for the previous fiscal year the total amount of all medical co-payments collected by prisoners under section 67a of the corrections code of 1953, 1953 PA 232, MCL 791.267a.

Sec. 608. From the funds appropriated in part 1, the department shall submit a biannual report, by not later than March 1 and September 1 of each year, that contains a de-identified list of prisoner deaths that occurred in the previous 6 months within correctional facilities. This report must include, but not be limited to, all of the following:

(a) The date of death.

(b) The correctional facility or other location at which the death occurred.

(c) The official cause of death, as documented on the death certificate.

(d) In cases where the cause of death is determined to be a drug overdose, the type of drug used, if known.

CORRECTIONAL FACILITIES AND ADMINISTRATION

Sec. 701. From the funds appropriated in part 1 for prison food service, the department shall report not later than January 15 on the following:

(a) Average per-meal cost for prisoner food service. Per-meal cost includes all costs directly related to the provision of food for the prisoner population, including, but not limited to, actual food costs, total compensation for all food service workers, including benefits and legacy costs, and inspection and compliance costs for food service.

(b) Food service-related contracts, including goods or services to be provided and the vendor.

(c) Major sanitation violations.

Sec. 702. From the funds appropriated in part 1, the department shall calculate the cost per prisoner per day for each security custody level. This calculation must include all actual direct and indirect costs for the previous fiscal year. To calculate the cost per prisoner per day, the department shall divide the prisoner-related costs by the total number of prisoner days for each custody level and correctional facility. For multilevel facilities, costs that cannot be accurately allocated to each custody level may be included in the calculation on a per-prisoner basis for each facility. A report summarizing these calculations must be submitted not later than January 15. Prisoner-related costs included in the cost per prisoner per day calculation must include all expenditures for the following, from all fund sources:

(a) New custody staff training.

(b) Prison industries operations.

(c) Education/skilled trades/career readiness programs.

(d) Enhanced food technology program.

(e) Higher education in prison.

(f) Offender success programming.

(g) Central records.

(h) Correctional facilities administration.

(i) Housing inmates in federal institutions.

(j) Inmate legal services.

(k) Leased beds and alternatives to leased beds.

(*l*) Prison food service.

(m) Prison store operations.

(n) Transportation.

(o) Health care.

(p) Correctional facilities.

(q) Northern and southern region administration and support.

Sec. 703. Any local unit of government or private nonprofit organization that contracts with the department for public works services is responsible for financing the entire cost of such an agreement.

Sec. 704. The department shall allow the Michigan Braille transcribing fund program to operate at designated locations. The department shall continue to encourage the Michigan Braille transcribing fund program to produce high-quality materials for use by the visually impaired.

Sec. 705. (1) From the funds appropriated in part 1, the department shall report all of the following regarding critical incidents by facility:

(a) Within 72 hours of occurrence, any critical incident occurring at a correctional facility. The report must identify the facility at which the incident occurred.

(b) Not later than March 1, the number of critical incidents occurring each month at each facility during the previous calendar year, categorized by type and severity of each incident.

(2) As used in this section, "critical incident" includes a prisoner assault on staff that results in a serious physical injury to staff, an escape or attempted escape, a prisoner disturbance that causes facility operation concerns, the implementation of a phase plan or similar significant restriction on activity within a facility, a drug overdose or suspected overdose that results in inpatient hospitalization, and an unexpected death of a prisoner.

Sec. 706. From the funds appropriated in part 1, the department shall report not later than March 1 on all of the following ratios for each correctional facility:

(a) Corrections officers to prisoners.

(b) Shift command staff to line custody staff.

(c) Noncustody institutional staff to prisoners.

Sec. 707. (1) From the funds appropriated in part 1, the department shall focus on providing required programming to prisoners as early as possible during the prisoner's sentence to impact the prisoner's behavior while incarcerated, and prioritize individuals who are past their earliest release date and have not been paroled because of not having received the required programming. Programming includes, but is not limited to, violence prevention programming, sexual abuse prevention programming, substance use disorder programming, thinking for a change programming, and any other programming that is required as a condition of parole. Nothing in this section makes parole denial appealable in court.

(2) The department shall submit a quarterly report detailing enrollment in sex abuse prevention programming, violence prevention programming, and thinking for a change programming. At a minimum, the report must include all of the following:

(a) A full accounting, from the date of entrance to prison, of the number of individuals who are required to complete the programming, but have not yet done so.

(b) The number of individuals who have reached their earliest release date, but who have not completed required programming.

(c) A plan of action for addressing any waiting lists or backlogs for programming that may exist.

Sec. 708. If a pregnant prisoner in a facility funded from appropriations in part 1 consents to a visitor being present, the department shall allow that 1 person to be present during the prisoner's labor and delivery, in addition to a doula being present if the pregnant prisoner wants to work with a doula. The person allowed to accompany the prisoner must be an immediate family member, legal guardian, spouse, or domestic partner. The department is authorized to deny access to a visitor if the department has a safety concern with that visitor's access. The department is authorized to conduct a criminal background check on the visitor.

Sec. 709. From the funds appropriated in part 1, the department shall evaluate all prisoners at intake for substance use disorders, serious developmental disorders, serious mental illness, and other mental health disorders. Prisoners with serious mental illness or serious developmental disorders must not be removed from the general population as a punitive response to behavior caused by their serious mental illness or serious developmental disorder. A prisoner with serious mental illness or serious developmental disorder that is unresponsive to treatment who presents a persistent high violence risk or engages in severe disruptive behavior may be placed in secure residential housing programs that facilitate access to institutional programming and ongoing mental health services funded from appropriations in part 1. A prisoner with serious mental illness or serious developmental disorder who is confined in these specialized housing programs must be evaluated or monitored by a medical professional at a frequency of not less than every 12 hours.

Sec. 710. (1) From the funds appropriated in part 1, the department shall report not later than March 1 on the number of prisoners during the previous fiscal year in administrative segregation and, of those, the number who at any time during the current or previous prison term were diagnosed with serious mental illness or have a developmental disorder and the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation.

(2) The report required in subsection (1) must include a chart listing the number of prisoners housed in administrative segregation for each of the following time periods:

(a) A continuous period exceeding 3 months but less than 6 months.

(b) A continuous period exceeding 6 months but less than 12 months.

(c) A continuous period exceeding 12 months or longer.

(3) For any prisoner housed in administrative segregation for 12 months or longer, an explanation of the circumstances surrounding the prisoner's placement in administrative segregation.

Sec. 711. From the funds appropriated in part 1, the department shall do all of the following:

(a) Ensure that any inmate care and control staff in contact with prisoners less than 18 years of age are adequately trained with regard to the developmental and mental health needs of prisoners less than 18 years of age. Not later than April 1, the department shall report on the training curriculum used and the number and types of staff receiving annual training under that curriculum.

(b) Provide appropriate placement for prisoners less than 18 years of age who have serious mental illness, serious emotional disturbance, or a serious developmental disorder and need to be housed separately from the general population. Prisoners less than 18 years of age who have serious mental illness, serious emotional disturbance, or a serious developmental disorder must not be removed from an existing placement as a punitive response to behavior caused by their serious mental illness, serious emotional disturbance, or a serious developmental disorder. A prisoner who is less than 18 years of age with serious mental illness or a serious developmental disorder that is unresponsive to treatment who presents a persistent high violence risk or engages in severe disruptive behavior may be placed in secure residential housing programs that facilitate access to institutional programming and ongoing mental health services. A prisoner less than 18 years of age with serious mental illness, serious emotional disturbance, or a serious developmental disorder who is confined in these specialized housing programs must be evaluated or monitored by a medical professional at a frequency of not less than every 12 hours.

(c) Implement a specialized offender success program that recognizes the needs of prisoners less than 18 years of age for supervised offender success.

Sec. 712. From the funds appropriated in part 1, the department shall submit quarterly reports on the number of youth in prison. The report must include, but not be limited to, all of the following information:

(a) The total number of inmates less than 18 years of age who are not on Holmes youthful trainee act status.

(b) The total number of inmates less than 18 years of age who are on Holmes youthful trainee act status.

(c) The total number of inmates between the ages of 18 and 23 who are on Holmes youthful trainee act status.

Sec. 713. From the funds appropriated in part 1, the department must submit a report on the number of prisoners who lost visiting privileges. The report required under this section must be submitted not later than November 15 and include data for the previous fiscal year. The report must include all of the following information:

(a) The number of prisoners who lost visiting privileges by race and by violation type.

(b) The number of prisoners who applied to have visiting privileges restored.

(c) The number of prisoners who had visiting privileges restored.

(d) The number of prisoners who had visiting restrictions extended.

Sec. 714. Funds appropriated in part 1 for intelligence unit must be used by the department to maintain an intelligence unit to conduct investigatory and intelligence operations for the department. Intelligence operations must include, but not be limited to, intelligence operations for prisoner phone services. Savings that result from transferring responsibility for intelligence operations from the contractor to the department must be passed on to prisoners and prisoners' families as the department continues to negotiate lower phone call rates in all future contracts. The department must continue to pursue all opportunities for reducing further the cost of phone calls for prisoners and prisoners' families.

Sec. 715. (1) From the funds appropriated in part 1, the department must submit a preliminary report on the department's plans to close, consolidate, or relocate any correctional facility in the state. The preliminary report must be provided not less than 30 days before the effective date of the closure, consolidation, or relocation. The preliminary report must include the projected savings to the state from closure, consolidation, or relocation of the facility and must include a projection of the potential impact on staff positions.

(2) After a prison closure, consolidation, or relocation, the department must submit a report on the actual savings achieved by the department and the impact on staff positions. Savings amounts and impact on staff positions must be itemized by facility. The report required under this subsection must be submitted 6 months after the prison closure, consolidation, or relocation.

Sec. 716. From the funds appropriated in part 1, the department shall consult with the legislature and other appropriate state agencies to develop a framework to provide investment in communities that have formerly operational state correctional facilities that have been closed. This framework must include plans to ensure that vacant state correctional facilities do not become a nuisance or danger to the community.

Sec. 717. From the funds appropriated in part 1, the department shall make an information packet for the families of incoming prisoners available on the department's website. The information packet must be reviewed not later than February 1 and updated as necessary. The department may partner with external advocacy groups and actual families of prisoners in the packet-writing process to ensure that the information is useful and complete. The packet must provide information on topics including, but not limited to, all of the following:

(a) How to put money into prisoner accounts.

(b) How to make telephone calls or create Jpay email accounts.

(c) How to visit in person.

(d) Proper procedures for filing complaints or grievances.

(e) The rights of prisoners to physical and mental health care.

(f) The purpose and importance of prisoners signing a medical release of information form.

(g) How to utilize the offender tracking information system (OTIS).

(h) Truth in sentencing and how it applies to minimum sentences.

(i) The parole process.

(j) Guidance on the importance of the role of families in the reentry process.

Sec. 718. From the funds appropriated in part 1, the department must pursue all opportunities to reduce costs for prisoners and prisoners' families for financial deposit fees and commissary fees when the department negotiates or renews any contract to provide these services.

Sec. 719. (1) Funds appropriated in part 1 for contraband prevention must be used by the department to enhance a multifaceted approach to contraband prevention that combines technology, rigorous policies, vigilant staff, intelligence gathering, and a commitment to addressing the root causes of contraband, all of which are necessary for preventing contraband introductions and maintaining safe and secure correctional facilities.

(2) Funds appropriated in part 1 for contraband prevention must be used by the department to support the prevention of contraband in correctional facilities, including increasing the frequency and enhancing the methods of screening all individuals, including all department employees, and all items entering into correctional facilities.

(3) From the funds appropriated in part 1 for contraband prevention, the department must submit a report not later than March 1 on contraband and prevention efforts in correctional facilities. The report must include, but not be limited to, all of the following:

(a) Prevention efforts and strategies utilized by the department.

(b) Challenges faced by correctional staff and other staff in addressing contraband.

(c) Ideas and recommendations on how the legislature can better assist the department with contraband prevention efforts and strategies.

Sec. 720. The department shall ensure that Policy Directive 04.01.110 "Access to Correctional Facilities" does not require active legislative members in good standing to provide prior notice before being granted access to a department facility when conducting official legislative business.

Sec. 721. It is the intent of the legislature that the department reform the strip search protocol so that it results in fewer and less intrusive strip searches of prisoners to maintain the safety and security of correctional facilities. If the department undertakes any efforts to perform fewer and less intrusive strip searches under this section, it must provide a report by April 1 on the efforts undertaken.

ARTICLE 3

DEPARTMENT OF EDUCATION

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of education for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF EDUCATION			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	562.5		
GROSS APPROPRIATION		**$**	**164,746,700**

			For Fiscal Year Ending Sept. 30, 2026
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**164,746,700**
Federal revenues:			
Total federal revenues			83,575,100
Special revenue funds:			
Total local revenues			5,884,200
Total private revenues			2,547,500
Total other state restricted revenues			10,193,800
State general fund/general purpose		**$**	**62,546,100**
Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	11.0		
Unclassified salaries—FTE positions	6.0	$	1,190,300
Education commission of the states			120,800
State board of education, per diem payments			24,400
State board/superintendent operations—FTEs	11.0		2,534,100
GROSS APPROPRIATION		**$**	**3,869,600**
Appropriated from:			
Federal revenues:			
Federal revenues			313,400
Special revenue funds:			
Private foundations			80,000
Certification fees			842,200
State general fund/general purpose		**$**	**2,634,000**
Sec. 103. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated classified positions	44.6		
Central support operations—FTEs	41.6	$	6,823,100
Federal and private grants			3,005,300
Grant and contract operations—FTEs	3.0		1,902,400
Property management			4,165,000
Terminal leave payments			353,300
Training and orientation workshops			150,000
Worker's compensation			7,500
GROSS APPROPRIATION		**$**	**16,406,600**
Appropriated from:			
Federal revenues:			
Federal indirect revenues			2,329,300
Federal revenues			5,470,400
Special revenue funds:			
Private foundations			1,005,300
Certification fees			630,200
Teacher testing fees			84,200
Training and orientation workshop fees			150,000
State general fund/general purpose		**$**	**6,737,200**
Sec. 104. INFORMATION TECHNOLOGY			
Information technology services and projects		$	4,933,200
GROSS APPROPRIATION		**$**	**4,933,200**
Appropriated from:			
Federal revenues:			
Federal indirect revenues			2,498,500
Federal revenues			70,600
Special revenue funds:			
Certification fees			1,008,400
State general fund/general purpose		**$**	**1,355,700**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 105. SPECIAL EDUCATION SERVICES			
Full-time equated classified positions	47.0		
Special education operations—FTEs	47.0	$	9,831,500
GROSS APPROPRIATION		**$**	**9,831,500**
Appropriated from:			
Federal revenues:			
Federal revenues			9,026,500
Special revenue funds:			
Private foundations			111,800
Certification fees			50,000
State general fund/general purpose		**$**	**643,200**
Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND			
Full-time equated classified positions	82.0		
ASL literacy resource		$	500,000
Camp Tuhsmeheta—FTE	1.0		1,000,400
Low incidence outreach program			1,000,000
Michigan Schools for the Deaf and Blind operations—FTEs	81.0		16,562,900
Private gifts - blind			200,000
Private gifts - deaf			150,000
GROSS APPROPRIATION		**$**	**19,413,300**
Appropriated from:			
Federal revenues:			
Federal revenues			7,672,200
Special revenue funds:			
Local cost sharing (schools for deaf/blind)			5,884,200
Gifts, bequests, and donations			1,350,400
Low incidence outreach fund			1,000,000
Student insurance revenue			206,100
State general fund/general purpose		**$**	**3,300,400**
Sec. 107. EDUCATOR EXCELLENCE			
Full-time equated classified positions	48.0		
Educator excellence operations—FTEs	47.0	$	10,535,800
Educator recruitment and preparation programs—FTE	1.0		1,682,200
GROSS APPROPRIATION		**$**	**12,218,000**
Appropriated from:			
Federal revenues:			
Federal revenues			3,173,000
Special revenue funds:			
Certification fees			4,207,700
Teacher testing fees			203,700
State general fund/general purpose		**$**	**4,633,600**
Sec. 108. SYSTEMS, EVALUATION, AND TECHNOLOGY			
Full-time equated classified positions	18.0		
Office of systems, evaluation, and technology operations—FTEs	18.0	$	3,670,100
GROSS APPROPRIATION		**$**	**3,670,100**
Appropriated from:			
Federal revenues:			
Federal indirect revenues			148,400
Federal revenues			2,169,700
Special revenue funds:			
Certification fees			11,200
State general fund/general purpose		**$**	**1,340,800**
Sec. 109. STRATEGIC PLANNING AND IMPLEMENTATION			
Full-time equated classified positions	6.0		
Strategic planning and implementation operations—FTEs	6.0	$	1,208,400
GROSS APPROPRIATION		**$**	**1,208,400**

			For Fiscal Year Ending Sept. 30, 2026
Appropriated from:			
Federal revenues:			
Federal revenues		$	647,100
State general fund/general purpose		**$**	**561,300**
Sec. 110. ADMINISTRATIVE LAW SERVICES			
Full-time equated classified positions	2.0		
Administrative law operations—FTEs	2.0	$	1,426,800
GROSS APPROPRIATION		**$**	**1,426,800**
Appropriated from:			
Federal revenues:			
Federal revenues			573,300
Special revenue funds:			
Certification fees			747,700
State general fund/general purpose		**$**	**105,800**
Sec. 111. ACCOUNTABILITY SERVICES			
Full-time equated classified positions	58.6		
Accountability services operations—FTEs	58.6	$	15,023,800
GROSS APPROPRIATION		**$**	**15,023,800**
Appropriated from:			
Federal revenues:			
Federal revenues			13,066,500
State general fund/general purpose		**$**	**1,957,300**
Sec. 112. SCHOOL SUPPORT SERVICES			
Full-time equated classified positions	86.6		
Adolescent and school health		$	334,400
Office of health and safety—FTEs	20.0		1,465,300
Office of nutrition services—FTEs	66.6		14,517,100
GROSS APPROPRIATION		**$**	**16,316,800**
Appropriated from:			
Federal revenues:			
Federal revenues			13,265,200
Special revenue funds:			
Commodity distribution fees			150,000
State general fund/general purpose		**$**	**2,901,600**
Sec. 113. EDUCATIONAL SUPPORTS			
Full-time equated classified positions	86.7		
Educational supports operations—FTEs	86.7	$	18,248,600
School board member training			150,000
GROSS APPROPRIATION		**$**	**18,398,600**
Appropriated from:			
Federal revenues:			
Federal revenues			13,285,600
Special revenue funds:			
Certification fees			602,400
State general fund/general purpose		**$**	**4,510,600**
Sec. 114. CAREER AND TECHNICAL EDUCATION			
Full-time equated classified positions	26.0		
Career and technical education operations—FTEs	26.0	$	5,863,300
GROSS APPROPRIATION		**$**	**5,863,300**
Appropriated from:			
Federal revenues:			
Federal revenues			4,120,300
State general fund/general purpose		**$**	**1,743,000**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 115. LIBRARY OF MICHIGAN			
Full-time equated classified positions	33.0		
Library of Michigan operations—FTEs	31.0	$	5,122,200
Library services and technology program—FTE	1.0		5,630,600
Michigan eLibrary—FTE	1.0		1,849,600
Renaissance zone reimbursements			1,830,000
State aid to libraries			16,567,700
GROSS APPROPRIATION		**$**	**31,000,100**
Appropriated from:			
Federal revenues:			
Federal revenues			5,630,600
Special revenue funds:			
Library fees			300,000
State general fund/general purpose		**$**	**25,069,500**
Sec. 116. PARTNERSHIP DISTRICT SUPPORT			
Full-time equated classified positions	13.0		
Partnership district support operations—FTEs	13.0	$	3,666,600
GROSS APPROPRIATION		**$**	**3,666,600**
Appropriated from:			
Federal revenues:			
Federal revenues			114,500
State general fund/general purpose		**$**	**3,552,100**
Sec. 117. ONE-TIME APPROPRIATIONS			
Foster care oversight		$	150,000
Media literacy			300,000
Mental health training			150,000
Michigan elibrary			900,000
GROSS APPROPRIATION		**$**	**1,500,000**
Appropriated from:			
State general fund/general purpose		**$**	**1,500,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $72,739,900.00 and state spending under part 1 from state sources to be paid to local units of government is $18,547,700.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF EDUCATION		
Renaissance zone reimbursements	$	1,830,000
School board member training		150,000
State aid to libraries		16,567,700
TOTAL	**$**	**18,547,700**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of education.

(b) "DHHS" means the department of health and human services.

(c) "District" means a local school district as that term is defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as that term is defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(d) "FTE" means full-time equated.

(e) "HHS" means the United States Department of Health and Human Services.

(f) "Standard report recipients" means the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on a website.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel by classified and unclassified employees outside this state in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house of representatives appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall transmit the report to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $400,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $250,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,500,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 214. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of the local health officer.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the state superintendent of public instruction shall take all reasonable steps to ensure that geographically disadvantaged business enterprises compete for and perform contracts to provide services, supplies, or both. The state superintendent of public instruction shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 216. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 217. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 218. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 219. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 220. By April 1, the department shall provide to the standard report recipients a copy of the department's annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The strategic plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 221. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $7,741,200.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $6,982,100.00. Total department appropriations for retiree health care legacy costs are estimated at $759,100.00.

Sec. 225. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 226. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 227. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 228. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients by not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 229. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 230. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount and source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

DEPARTMENT-SPECIFIC GENERAL SECTIONS

Sec. 301. From the funds appropriated in part 1, the department shall provide through the internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and supporting documents are available on the internet, at the time the agenda and supporting documents are provided to state board of education members.

Sec. 302. From the funds appropriated in part 1, the department may assist DHHS, other departments, intermediate school districts, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to DHHS for reimbursement.

Sec. 303. From the funds appropriated in part 1, the department shall do both of the following:

(a) Post on its website a link to the federal Institute of Education Sciences' What Works Clearinghouse.

(b) Disseminate knowledge about the What Works Clearinghouse to districts and intermediate school districts so that it may be used to improve reading proficiency for pupils in grades K to 3.

Sec. 304. From the funds appropriated in part 1, the department shall coordinate with the other departments to streamline state services and resources, reduce duplication, and increase efficiency, including, but not limited to, all of the following:

(a) Working with the department of treasury to coordinate with the financial independence team and overseeing deficit districts.

(b) Working with DHHS and the department of lifelong education, advancement, and potential to coordinate with early childhood programs and overseeing child care providers.

Sec. 305. (1) As a condition of receiving appropriations in part 1, the department shall, in collaboration with DHHS, promote and support initiatives in schools and other educational organizations that include, but are not limited to, training for educators, teachers, and other personnel in school settings for all of the following:

(a) Using trauma-informed practices.

(b) Age-appropriate education and information on human trafficking.

(c) Age-appropriate education and information on sexual abuse prevention.

(2) If requested by the department, the department of state police and the department of attorney general shall consult with the department in the promotion and support of initiatives in schools and other educational organizations under subsection (1).

Sec. 306. From the funds appropriated in part 1, the department shall ensure that the most recently issued report of regional in-demand occupations issued by the department of technology, management, and budget is distributed in electronic or paper form to all high schools in each school district, intermediate school district, and public school academy.

STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Sec. 351. (1) The department may use the appropriations from the state board of education, per diem payments in part 1 for per diem payments to the state board members for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments are set at the following rates:

(a) State board of education - president - $110.00 per day.

(b) State board of education - member other than president - $100.00 per day.

(2) The department shall not pay a state board of education member a per diem for more than 30 days per year.

SPECIAL EDUCATION SERVICES

Sec. 401. From the funds appropriated in part 1 for special education operations, the department shall use $100,000.00 to design and distribute to all parents and legal guardians of a student with a disability the following information:

(a) Federal and state mandates regarding the rights and protections of students with disabilities, including, but not limited to, individualized education programs to ensure that parents and legal guardians are fully informed about laws, rules, procedural safeguards, and problem-solving options.

(b) Any other information the department determines is necessary to allow parents and legal guardians to provide meaningful input in collaboration with districts to develop and implement an individualized education program.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 451. From the funds appropriated in part 1, the employees at the Michigan Schools for the Deaf and Blind who work on a school-year basis are considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 452. For each student enrolled at the Michigan Schools for the Deaf and Blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program, excluding room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 456. (1) From the funds appropriated in part 1, the Michigan Schools for the Deaf and Blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. From the funds appropriated in part 1, the Michigan Schools for the Deaf and Blind shall distribute information detailing its services to all intermediate school districts in this state.

(2) If an intermediate school district knows that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan Schools for the Deaf and Blind to intermediate school districts under subsection (1).

(3) Parents will continue to have a choice regarding the educational placement of their deaf or hard-of-hearing children.

Sec. 457. Revenue received by the Michigan Schools for the Deaf and Blind from gifts, bequests, and donations that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and does not revert to the general fund.

Sec. 458. (1) The funds appropriated in part 1 for the low incidence outreach fund are appropriated from money collected by the Michigan Schools for the Deaf and Blind and the low incidence outreach program for providing qualified services and may be used for any expenses necessary to provide the qualified services. Any money that is unexpended at the end of the current fiscal year does not revert to the general fund and may be carried forward into the succeeding fiscal year.

(2) As used in this section, "qualified services" means any of the following:
(a) Document reproduction and services.
(b) Conducting conferences, workshops, and training classes.
(c) Providing specialized equipment, facilities, and software.

Sec. 459. When conducting a due process hearing resulting from a parent's appeal of that parent's child's individualized education program team's decision on the child's educational placement, a state administrative law judge shall consider designating the Michigan School for the Deaf as 1 of the options for the least restrictive environment under federal law for the parent's child who is deaf, deafblind, or hard of hearing.

Sec. 460. From the funds appropriated in part 1 for ASL literacy resources, the department shall expend the funds to comply with all requirements in section 1705 of the revised school code, 1976 PA 451, MCL 380.1705.

EDUCATOR EXCELLENCE

Sec. 501. From the funds appropriated in part 1 for educator excellence, the department shall maintain certificate revocation and felony conviction files of educational personnel.

Sec. 503. From the funds appropriated in part 1, the department shall, if requested by the Michigan Virtual Learning Research Institute, consult with the Michigan Virtual Learning Research Institute and external stakeholders in connection with the department's implementation and administration of professional development training described in section 35a of the state school aid act of 1979, 1979 PA 94, MCL 388.1635a, including, but not limited to, the online training of educators of pupils in grades K to 3 described in that section.

Sec. 504. From the funds appropriated in part 1 for educator recruitment and preparation programs, the department shall award $1,000,000.00 to districts for both of the following:
(a) Educator preparation program tuition, program fees, testing fees, and substitute permit costs for any individual employed in grades pre-K to 12 working toward certification or an additional endorsement.
(b) Program costs associated with hands-on learning experiences for students in grades 6 to 12 interested in the field of education, with supervision and mentoring from educators who are champions of, and committed to, the success of the profession.

Sec. 505. From the funds appropriated in part 1 for educator recruitment and preparation programs, not less than $190,000.00 and not fewer than 1.0 FTE position is allocated for educator recruitment and preparation programs.

Sec. 506. Revenue received from teacher testing fees that is unexpended at the end of the current fiscal year may be carried over to the succeeding fiscal year and does not revert to the general fund.

Sec. 507. From the funds appropriated in part 1, the department shall adopt a teacher certification test that ensures that all newly certified elementary teachers have the skills to deliver evidence-based literacy instruction grounded in the science of reading. The department may use teacher certification or teacher testing fee revenue to the extent allowable under law to implement this section, or may pass along increased testing fees to teachers as allowable and appropriate.

SCHOOL SUPPORT SERVICES

Sec. 601. From the funds appropriated in part 1 for adolescent and school health, the department shall use the funds to replace federal funding reductions from the HHS - Centers for Disease Control and Prevention to the department and section 39a(2)(a) of the state school aid act of 1979, 1979 PA 94, MCL 388.1639a.

Sec. 602. (1) From the funds appropriated in part 1 for school board member training, there is appropriated $150,000.00 for school board member training. The department shall approve 1 or more training programs for school board members that include courses of instruction for school board members in 1 or more of the following topic areas:
(a) Conflicts of interest, including, but not limited to, the application of section 1203 of the revised school code, 1976 PA 451, MCL 380.1203.
(b) Labor relations, including, but not limited to, a school board's role in collective bargaining agreements in 1947 PA 336, MCL 423.201 to 423.217, and in other laws related to employment.

(c) Education law, including, but not limited to, the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and 1937 (Ex Sess) PA 4, MCL 38.71 to 38.191, dealing with teacher tenure.

(d) School finance, including, but not limited to, the creation and management of school district budgets.

(e) Board governance, including, but not limited to, roles and responsibilities, parliamentary procedure, and best practices.

(f) Implicit bias training.

(g) Rater reliability training.

(2) On completion of an eligible training program, a school board member may apply for reimbursement for the cost of the eligible training program through the board member's local district, up to $100.00 per course. The department may determine the form and manner of the application to reimburse the district for the cost.

(3) The department shall create a process for the provider of a course in a topic listed in subsection (1) to apply to the department to have the course approved and be eligible for a school board member to be reimbursed for completing that course as provided under subsection (2).

(4) As used in this section:

(a) "Eligible training program" means a training program that is approved under subsection (1).

(b) "School board member" means a member of the board of a school district or intermediate school district or a member of the board of directors of a public school academy in this state.

Sec. 604. (1) From the funds appropriated in part 1, not less than $159,500.00 and not fewer than 1.0 FTE position shall provide technical assistance to all eligible districts to make them effective at using Medicaid dollars for mental health.

(2) As used in this section, "eligible district" means a school district or intermediate school district that receives funding under section 31n of the state school aid act of 1979, 1979 PA 94, MCL 388.1631n.

EDUCATIONAL SUPPORTS

Sec. 701. (1) From the funds appropriated in part 1 for educational supports, the department shall produce a report detailing the progress made by districts with grades K to 12 receiving at-risk funding under section 31a of the state school aid act of 1979, 1979 PA 94, MCL 388.1631a, in doing both of the following:

(a) Implementing multi-tiered systems of supports in the previous school fiscal year for grades K to 12.

(b) Providing reading intervention services described in section 1280f of the revised school code, 1976 PA 451, MCL 380.1280f, for pupils in grades K to 12.

(2) The department shall include, at a minimum, all of the following in the report described in subsection (1):

(a) A description of the training, coaching, and technical assistance offered by the department to districts to support the implementation of effective multi-tiered systems of supports and reading intervention programs.

(b) A list of districts determined by the department to have successfully implemented multi-tiered systems of supports and reading intervention programs.

(c) A list of districts determined by the department that have the need to implement multi-tiered systems of supports and reading intervention programs.

(d) A list of best practices that the department has identified that may be used by districts to implement multi-tiered systems of supports and reading intervention programs.

(e) Other information the department determines would be useful to understanding the status of districts' implementation of effective multi-tiered systems of supports and reading intervention programs.

(3) The department shall provide the report described in subsection (1) to the state budget director, the house and senate subcommittees that oversee the department and school aid budgets, and the house and senate fiscal agencies by September 30 of the current fiscal year.

Sec. 702. From the funds appropriated in part 1, there is appropriated an amount not less than $1,000,000.00 for implementation costs associated with programs for early childhood literacy funded under section 35a of the state school aid act of 1979, 1979 PA 94, MCL 388.1635a.

CAREER AND TECHNICAL EDUCATION

Sec. 750. From the funds appropriated in part 1 for career and technical education operations, the department shall develop and implement a reporting mechanism for school districts to report on career and technical education participation and workforce development participation. The department shall prepare and submit a report to the standard report recipients detailing all of the following:

(a) The number of students participating in career and technical education programs.

(b) The number of students in the graduating class of the current school year that took at least 1 career and technical education course while in high school.

(c) The number of students in the graduating class of the previous school year that enrolled in a postsecondary workforce development program in the current school year.

LIBRARY OF MICHIGAN

Sec. 801. (1) The funds appropriated in part 1 for library fees are appropriated from money collected by the library of Michigan for providing qualified services and may be used for any expenses necessary to provide the qualified services. Any money that is unexpended at the end of the current fiscal year does not lapse to the general fund and may be carried forward into the succeeding fiscal year.

(2) As used in this section, "qualified services" means any of the following:

(a) Document reproduction and services.

(b) Conducting conferences, workshops, and training classes.

(c) Providing specialized equipment, facilities, and software.

Sec. 804. (1) The department shall use the funds appropriated in part 1 for renaissance zone reimbursements to reimburse public libraries under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2025. The department shall allocate the funds not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, the department shall prorate payments on an equal basis among all eligible recipients.

ONE-TIME APPROPRIATIONS

Sec. 1000. From the funds appropriated in part 1 for foster care support, there is appropriated an amount not less than $150,000.00 for implementation costs associated with section 1281c of the revised school code, 1976 PA 451, MCL 380.1281c.

Sec. 1001. From the funds appropriated in part 1 for media literacy training, the department shall design, implement, and evaluate professional learning and optional curriculum modules for the purpose of teaching artificial intelligence and media literacy in this state.

Sec. 1002. (1) From the funds appropriated in part 1 for mental health training, the department shall provide technical assistance to all eligible districts to make them effective at using Medicaid dollars for mental health.

(2) As used in this section, "eligible district" means a school district or intermediate school district that receives funding under section 31n of the state school aid act of 1979, 1979 PA 94, MCL 388.1631n.

ARTICLE 4

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of environment, Great Lakes, and energy for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	1,631.0		
GROSS APPROPRIATION		**$**	**967,719,600**
Appropriated from:			
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			4,129,100
ADJUSTED GROSS APPROPRIATION		**$**	**963,590,500**

			For Fiscal Year Ending Sept. 30, 2026
Federal revenues:			
Total federal revenues		$	464,268,500
Special revenue funds:			
Total local revenues			0
Total private revenues			1,404,200
Total other state restricted revenues			327,853,700
State general fund/general purpose		**$**	**170,064,100**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	106.0		
Unclassified salaries—FTE positions	6.0	$	993,100
Accounting service center			1,576,900
Administrative hearings officers			906,600
Environmental investigations—FTEs	12.0		2,459,400
Environmental support—FTEs	56.0		9,465,700
Executive direction—FTEs	20.0		4,480,800
Facilities management			1,000,000
Financial support—FTEs	18.0		10,890,700
Michigan geological survey			400,000
Property management			8,098,900
GROSS APPROPRIATION		**$**	**40,272,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from Michigan department of state police			82,800
IDG from state transportation department			108,400
Federal revenues:			
Federal funds			766,700
Special revenue funds:			
Private funds			711,600
Air emissions fees			1,054,500
Aquatic nuisance control fund			79,500
Campground fund			25,900
Cleanup and redevelopment fund			2,808,900
Coal ash care fund			17,100
Electronic waste recycling fund			36,200
Environmental education fund			237,400
Environmental pollution prevention fund			558,100
Fees and collections			19,800
Financial instruments			8,561,500
Great Lakes protection fund			548,100
Groundwater discharge permit fees			123,800
Infrastructure construction fund			2,700
Laboratory services fees			673,700
Land and water permit fees			198,500
Medical waste emergency response fund			36,200
Metallic mining surveillance fee revenue			5,800
Mineral well regulatory fee revenue			17,100
Nonferrous metallic mineral surveillance			16,200
NPDES fees			359,700
Oil and gas regulatory fund			466,300
Orphan well fund			71,200
Public swimming pool fund			50,300
Public utility assessments			750,500
Public water supply fees			385,000

			For Fiscal Year Ending Sept. 30, 2026
Refined petroleum fund		$	3,371,100
Renew Michigan fund			4,734,000
Sand extraction fee revenue			2,700
Scrap tire regulatory fund			186,000
Septage waste program fund			48,500
Settlement funds			2,000,400
Sewage sludge land application fees			74,400
Soil erosion and sedimentation control training fund			11,700
Solid waste management fund - staff account			769,200
Stormwater permit fees			185,600
Technologically enhanced naturally occurring radioactive material			34,500
Underground storage tank cleanup fund			255,500
Wastewater operator training fees			44,900
Water quality protection fund			8,700
Water use reporting fees			19,900
State general fund/general purpose		**$**	**9,751,500**
Sec. 103. WATER RESOURCES DIVISION			
Full-time equated classified positions	403.0		
Aquatic nuisance control program—FTEs	6.0	$	1,000,700
Federal - Great Lakes remedial action plan grants			583,800
Fish contaminant monitoring			316,100
Great Lakes restoration initiative—FTEs	9.0		11,288,300
Nonpoint source pollution prevention and control project program			4,083,300
Technology advancements for water monitoring			500,000
Water quality programs—FTEs	223.0		36,580,800
Water quality protection grants			100,000
Water resource programs—FTEs	165.0		28,239,600
Watershed council grants			600,000
GROSS APPROPRIATION		**$**	**83,292,600**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from state transportation department			2,056,400
Federal revenues:			
Federal funds			35,144,300
Special revenue funds:			
Aquatic nuisance control fund			1,000,700
Environmental response fund			590,000
Groundwater discharge permit fees			2,246,900
Infrastructure construction fund			52,000
Land and water permit fees			2,487,300
NPDES fees			4,523,900
Refined petroleum fund			456,000
Sewage sludge land application fees			918,900
Soil erosion and sedimentation control training fund			143,500
Stormwater permit fees			2,364,000
Wastewater operator training fees			317,400
Water pollution control revolving fund			152,500
Water quality protection fund			100,000
Water use reporting fees			300
State general fund/general purpose		**$**	**30,738,500**
Sec. 104. AIR QUALITY DIVISION			
Full-time equated classified positions	225.0		
Air quality programs—FTEs	225.0	$	38,730,000
GROSS APPROPRIATION		**$**	**38,730,000**

			For Fiscal Year Ending Sept. 30, 2026
Appropriated from:			
Federal revenues:			
Federal funds		$	7,762,700
Special revenue funds:			
Air emissions fees			11,290,100
Asbestos inspection fund			2,000,000
Fees and collections			214,300
Oil and gas regulatory fund			148,700
Public utility assessments			150,000
Refined petroleum fund			2,138,500
State general fund/general purpose		**$**	**15,025,700**
Sec. 105. REMEDIATION AND REDEVELOPMENT DIVISION			
Full-time equated classified positions	324.0		
Contaminated site remediation and redevelopment programs—FTEs	324.0	$	83,030,300
Emergency cleanup actions			2,000,000
Environmental cleanup and redevelopment program			27,600,000
Superfund cleanup			9,000,000
GROSS APPROPRIATION		**$**	**121,630,300**
Appropriated from:			
Federal revenues:			
Federal funds			16,759,200
Special revenue funds:			
Cleanup and redevelopment fund			55,444,200
Environmental response fund			1,442,100
Laboratory services fees			11,392,000
Public water supply fees			330,700
Refined petroleum fund			33,867,500
State brownfield redevelopment fund			2,100,000
State general fund/general purpose		**$**	**294,600**
Sec. 106. UNDERGROUND STORAGE TANK AUTHORITY			
Full-time equated classified positions	12.0		
Underground storage tank cleanup program—FTEs	12.0	$	32,139,200
GROSS APPROPRIATION		**$**	**32,139,200**
Appropriated from:			
Special revenue funds:			
Underground storage tank cleanup fund			32,139,200
State general fund/general purpose		**$**	**0**
Sec. 107. RENEWING MICHIGAN'S ENVIRONMENT			
Full-time equated classified positions	168.0		
Information Management—FTEs	22.0	$	6,836,600
Renew Michigan program—FTEs	146.0		70,737,200
GROSS APPROPRIATION		**$**	**77,573,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from Michigan department of state police			6,800
IDG from state transportation department			6,300
Federal revenues:			
Federal funds			5,800
Special revenue funds:			
Air emissions fees			67,900
Aquatic nuisance control fund			4,600
Campground fund			1,200
Cleanup and redevelopment fund			184,700
Coal ash care fund			1,000

		For Fiscal Year Ending Sept. 30, 2026
Electronic waste recycling fund	$	1,100
Environmental pollution prevention fund		39,800
Fees and collections		120,200
Financial instruments		281,600
Great Lakes protection fund		1,200
Groundwater discharge permit fees		10,700
Laboratory services fees		45,500
Land and water permit fees		14,400
Medical waste emergency response fund		1,100
Mineral well regulatory fee revenue		500
Nonferrous metallic mineral surveillance		1,300
NPDES fees		24,900
Oil and gas regulatory fund		33,300
Orphan well fund		5,500
Public swimming pool fund		1,400
Public water supply fees		26,900
Refined petroleum fund		229,600
Renew Michigan fund		71,052,600
Scrap tire regulatory fund		13,200
Septage waste program fund		1,600
Sewage sludge land application fees		4,600
Soil erosion and sedimentation control training fund		200
Solid waste management fund - staff account		59,100
Stormwater permit fees		12,300
Technologically enhanced naturally occurring radioactive material		2,000
Underground storage tank cleanup fund		17,000
Wastewater operator training fees		2,800
Water quality protection fund		500
Water use reporting fees		1,100
State general fund/general purpose	**$**	**5,289,500**
Sec. 108. INFORMATION TECHNOLOGY		
Information technology services and projects	$	10,439,700
GROSS APPROPRIATION	**$**	**10,439,700**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from Michigan department of state police		23,700
IDG from state transportation department		31,100
Federal revenues:		
Federal funds		2,062,300
Special revenue funds:		
Air emissions fees		246,800
Aquatic nuisance control fund		22,900
Campground fund		7,300
Cleanup and redevelopment fund		807,100
Coal ash care fund		5,000
Electronic waste recycling fund		10,600
Environmental pollution prevention fund		158,500
Fees and collections		5,700
Financial instruments		1,084,000
Great Lakes protection fund		11,400
Groundwater discharge permit fees		35,200
Infrastructure construction fund		800
Laboratory services fees		189,600
Land and water permit fees		56,400

			For Fiscal Year Ending Sept. 30, 2026
Medical waste emergency response fund		$	10,600
Metallic mining surveillance fee revenue			1,700
Mineral well regulatory fee revenue			5,000
Nonferrous metallic mineral surveillance			5,000
NPDES fees			101,400
Oil and gas regulatory fund			131,600
Orphan well fund			20,400
Public swimming pool fund			14,800
Public utility assessments			19,600
Public water supply fees			108,600
Refined petroleum fund			961,200
Renew Michigan fund			1,459,000
Sand extraction fee revenue			800
Scrap tire regulatory fund			53,100
Septage waste program fund			13,900
Sewage sludge land application fees			21,200
Soil erosion and sedimentation control training fund			3,300
Solid waste management fund - staff account			211,700
Stormwater permit fees			53,100
Technologically enhanced naturally occurring radioactive material			9,800
Underground storage tank cleanup fund			73,600
Wastewater operator training fees			13,100
Water pollution control revolving fund			33,200
Water quality protection fund			2,400
Water use reporting fees			5,700
State general fund/general purpose		**$**	**2,347,500**
Sec. 109. DRINKING WATER AND ENVIRONMENTAL HEALTH			
Full-time equated classified positions	160.0		
Drinking water and environmental health—FTEs	160.0	$	40,273,800
GROSS APPROPRIATION		**$**	**40,273,800**
Appropriated from:			
Federal revenues:			
Federal funds			13,755,900
Special revenue funds:			
Campground fund			388,200
Fees and collections			34,700
Public swimming pool fund			762,200
Public water supply fees			5,074,500
Refined petroleum fund			761,100
Septage waste program fund			628,900
Wastewater operator training fees			267,700
State general fund/general purpose		**$**	**18,600,600**
Sec. 110. MATERIALS MANAGEMENT DIVISION			
Full-time equated classified positions	133.0		
Energy programs—FTEs	13.0	$	6,307,200
Material management programs—FTEs	120.0		25,184,200
GROSS APPROPRIATION		**$**	**31,491,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from Michigan department of state police			1,590,500
Federal revenues:			
Federal funds			7,353,300
Special revenue funds:			
Private funds			652,600

			For Fiscal Year Ending Sept. 30, 2026
Cleanup and redevelopment fund		$	1,090,500
Coal ash care fund			268,100
Community pollution prevention fund			250,000
Electronic waste recycling fund			333,700
Energy efficiency and renewable energy revolving loan fund			250,100
Environmental pollution prevention fund			4,167,300
Medical waste emergency response fund			454,500
Public utility assessments			1,806,200
Retired engineers technical assistance program fund			491,200
Scrap tire regulatory fund			5,147,300
Small business pollution prevention revolving loan fund			134,400
Solid waste management fund - staff account			6,204,200
Technologically enhanced naturally occurring radioactive material			465,500
State general fund/general purpose		**$**	**832,000**
Sec. 111. GEOLOGIC RESOURCES MANAGEMENT DIVISION			
Full-time equated classified positions	73.0		
Geologic resources management—FTEs	73.0	$	21,531,100
GROSS APPROPRIATION		**$**	**21,531,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of licensing and regulatory affairs			223,100
Federal revenues:			
Federal funds			153,100
Infrastructure investment and jobs act fund			5,155,400
Special revenue funds:			
Private funds			40,000
Aquifer protection revolving fund			520,000
Metallic mining surveillance fee revenue			92,500
Mineral well regulatory fee revenue			216,000
Native copper mine fund			50,000
Nonferrous metallic mineral surveillance			385,800
Oil and gas regulatory fund			3,938,900
Orphan well fund			2,351,500
Sand extraction fee revenue			91,100
Water use reporting fees			351,000
State general fund/general purpose		**$**	**7,962,700**
Sec. 112. WATER INFRASTRUCTURE			
Full-time equated classified positions	27.0		
Municipal assistance—FTEs	27.0	$	6,744,300
Lead service line replacement			9,601,300
Water state revolving funds			390,000,000
GROSS APPROPRIATION		**$**	**406,345,600**
Appropriated from:			
Federal revenues:			
Federal funds			105,349,800
Infrastructure investment and jobs act fund			270,000,000
Special revenue funds:			
Revolving loan revenue bonds			15,000,000
Water pollution control revolving fund			774,300
State general fund/general purpose		**$**	**15,221,500**
Sec. 113. ONE-TIME APPROPRIATIONS			
Michigan geological survey – one-time			2,300,000
Water state revolving funds – one-time			34,000,000
Geologic resources management – one-time			5,000,000

		For Fiscal Year Ending Sept. 30, 2026
Document digitization, transparency, and modernization	$	5,000,000
Lead service line replacement - one-time		17,400,000
Permitting guidebooks		300,000
GROSS APPROPRIATION	**$**	**64,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**64,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state resources is $497,917,800.00 and state spending under part 1 from state sources to be paid to local units of government is $59,133,300.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
Brownfield grants	$	1,000,000
Drinking water and environmental health		8,786,000
Emergency cleanup actions		116,000
Energy programs		460,000
Lead service line replacement		9,601,300
Lead service line replacement – one-time		17,400,000
Material management programs		1,270,000
Renew Michigan program		20,000,000
Technology advancements for water monitoring		500,000
TOTAL	**$**	**59,133,300**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of environment, Great Lakes, and energy.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

(e) "NPDES" means the national pollutant discharge elimination system.

(f) "Standard report recipients" means the senate appropriations subcommittee on environment, Great Lakes, and energy; the house appropriations subcommittee on environment, Great Lakes, and energy; the senate and house fiscal agencies; the senate and house policy offices; and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1. The report must list travel outside of this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department shall submit the report to the standard report recipients and to the house of representatives and senate appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 214. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically-disadvantaged business enterprises 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 geographically-disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically-disadvantaged business enterprises" means that term as defined in Executive Directive 2023-1.

Sec. 216. On a quarterly basis, the department or agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 217. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set by the office of state employer to meet the in-person and vacancy rate objectives outlined by the office of state employer.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 218. The department shall make each report required to be submitted under this part readily accessible to the public and conspicuously post each required report in a single archivable location on the department's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 219. 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 records. The department may electronically retain copies of reports unless otherwise required by federal and state law and guidelines.

Sec. 220. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 221. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 222. To the extent possible, the department shall not expend appropriations in part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 225. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 226. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 227. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services, in partnership with the Social Security Administration.

Sec. 228. (1) The department may expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of the environmental cleanup and redevelopment program, environmental cleanup support, contaminated site remediation and redevelopment programs, contaminated site cleanup, contaminated site cleanup contingency reserve, premcor remediation activities, PFAS remediation grant program, the renew Michigan program, the refined petroleum product cleanup program, brownfield grants and loans, waterfront grants, and the environmental bond site reclamation program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2011 PA 63, 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, and 2017 PA 107, are appropriated for expenditure.

(3) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, 2017 PA 107, 2018 PA 207, 2019 PA 57, 2020 PA 166, 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 are appropriated for expenditure.

(4) Unexpended and unencumbered amounts remaining from the appropriations from the strategic water quality initiatives fund contained in 2011 PA 50, 2011 PA 63, 2012 PA 200, 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, 2017 PA 107, and 2018 PA 207, are appropriated for expenditure.

(5) For the strategic water quality initiatives fund, funds not yet disbursed are appropriated for expenditure for the same program under sections 5201, 5202, and 5204e of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5201, 324.5202, and 324.5204e.

(6) Unexpended and unencumbered amounts remaining from the appropriations from the renew Michigan fund contained in 2018 PA 207, 2019 PA 57, 2020 PA 166, 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 are appropriated for expenditure.

(7) Unexpended and unencumbered amounts remaining from the appropriations from the contaminated site cleanup contingency fund contained in 2021 PA 87 and 2022 PA 166, are appropriated for expenditure.

(8) Unexpended and unencumbered amounts remaining from the appropriations from the cleanup and redevelopment fund contained in 2022 PA 166 and 2023 PA 119 are appropriated for expenditure.

Sec. 229. Revenues that remain in the settlements fund at the end of the fiscal year carry forward into the succeeding fiscal year.

Sec. 235. (1) Semiannually, the department shall prepare a report that contains information regarding all remediation and redevelopment efforts funded from part 1.

(2) The report must contain the following information:

(a) List of sites where work is planned to occur, including the county for each site.

(b) The type of site, whether refined petroleum cleanup, nonrefined petroleum cleanup, brownfield, or a combination of types.

(c) A brief description of how the issue will be addressed, including whether contractors will be utilized.

(d) The estimated date for project completion.

(e) The amount and funding source or sources allocated to the site.

(3) The report must be submitted to the senate and house subcommittees on the environment, Great Lakes, and energy and the state budget director.

Sec. 238. The department shall submit a report to the senate and house standing committees and appropriations subcommittees with primary responsibility for issues under the jurisdiction of the department that details departmental activities of the most recent fiscal year in administering permitting programs. The report must include, at a minimum, all of the following:

(a) The number of FTEs assigned to each permitting program and the number of unfilled positions at the beginning and end of the most recent fiscal year.

(b) The number of permit applications received by the department in the preceding year, including applications for new and increased uses and reissuances.

(c) The number of permits for each program approved.

(d) The number of permits for each program denied.

(e) The percentage and number of permit applications that were reviewed for administrative completeness within statutory time frames.

(f) The percentage and number of permit applications for which a final action was taken by the department within statutory time frames for new and increased uses and reissuances.

(g) Activities to reduce any backlog of permits that exceed the statutory time frames and the average time frame for permit approvals for each program.

(h) Activities to reduce the percentage of permit applications submitted as incomplete, in need of modification, or additional information before final determination.

(i) Under conditions in which the department states a permit is incomplete or denied, the department shall provide an explanation as to the reason or reasons the permit is insufficient and how the permit can be strengthened or made complete.

Sec. 239. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 240. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 242. If the department responds to a significant incident to protect life or property, as soon as possible and within 24 hours after the department responds to the significant incident, the department shall notify, in writing, the senate and house members whose district includes the site.

Sec. 246. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 247. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $25,310,000.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $22,828,000.00. Total appropriations for retiree health care legacy costs for the department are estimated at $2,482,000.00.

Sec. 248. (1) Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include all of the following information:

(a) The amount of funding received.

(b) The specific source of funding received.

(c) The purpose for which funding was expended.

(d) The amount of any remaining funds.

(2) The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 249. (1) Funds appropriated in part 1 must not be used by the department to promulgate a rule that will apply to small businesses and have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

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

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

Sec. 250. The department must provide a report to the standard report recipients that details the number and percentage of each permit the department issued during the prior fiscal year that were issued outside the relevant statutory deadline.

REMEDIATION AND REDEVELOPMENT DIVISION

Sec. 301. Revenues remaining in the laboratory services fees fund at the end of the fiscal year carry forward into the succeeding fiscal year.

Sec. 302. The unexpended funds appropriated in part 1 for contaminated site remediation and redevelopment programs, emergency cleanup actions, and environmental cleanup and redevelopment program are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 projects is to provide contaminated site cleanup.

(b) The projects will be accomplished by utilizing contracts with service providers.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2030.

Sec. 304. (1) In addition to the money appropriated in part 1, the department may receive and expend money from the subaccounts of the cleanup and redevelopment fund as described under section 20108 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20108, including the environmental response fund or the natural resource damages fund, to provide funding for actions by the department that are authorized by a court of competent jurisdiction and set forth in a final court order or judgment in an action to which the department is a party.

(2) By January 30, the department shall submit a report to the appropriations subcommittees, the fiscal agencies, and the state budget office that provides a summary of the expenditures incurred under this section during the preceding fiscal year.

Sec. 305. It is the intent of the legislature to repay the refined petroleum fund for the $70,000,000.00 that was transferred to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a, as part of the resolution for the fiscal year 2006-2007 budget.

WATER RESOURCES DIVISION

Sec. 402. The department shall report the following to the standard report recipients:

(a) The number of permit application decision appeals filed in the previous fiscal year.

(b) The number of permit applications approved within 30 days, 60 days, 90 days, 6 months, and 1 year after an application is determined to be administratively complete.

Sec. 405. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11721, then the department may spend funds appropriated in part 1 for drinking water and environmental health in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

Sec. 410. From the funds appropriated in part 1, the department shall compile a report by November 1 of every fiscal year ending in an odd number on the status of the implementation plan for the western Lake Erie basin collaborative agreement. In an effort to learn more about the presence and timing of harmful algal blooms, the report shall contain all of the following:

(a) An estimated cost of removal of total phosphorus per pound at the 4 major wastewater treatment plants.

(b) A description of the grants that have been awarded.

(c) A description of the work that has commenced on the issue of dissolved reactive phosphorus, the expected objectives and outcomes of that work, and a list of the parties involved in that effort.

(d) A description of the efforts and outcomes aimed at the total phosphorus reduction for the River Raisin watershed.

UNDERGROUND STORAGE TANK AUTHORITY

Sec. 701. The unexpended funds appropriated in part 1 for the underground storage tank cleanup program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 provide underground storage tank cleanup.

(b) The project will be accomplished by utilizing contracts with service providers.

(c) The total estimated cost of the project is $20,000,000.00.

(d) The tentative completion date is September 30, 2030.

RENEWING MICHIGAN'S ENVIRONMENT

Sec. 801. The unexpended funds appropriated in part 1 for the renewing Michigan's environment program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 for environmental cleanup and redevelopment, waste management, and recycling.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $70,495,800.00.

(d) The tentative completion date is September 30, 2030.

MATERIALS MANAGEMENT DIVISION

Sec. 901. In addition to the money appropriated in part 1, the department may receive and expend money from the Volkswagen Environmental Mitigation Trust Agreement to provide funding for activities as outlined within the State's Mitigation Plan. The department shall prepare a report to the appropriations subcommittees, the fiscal agencies, and the state budget office by February 1, 2026 of the expenditures incurred under this section during the fiscal year ending September 30, 2025.

GEOLOGIC RESOURCES MANAGEMENT DIVISION

Sec. 925. As a condition on the funds appropriated in part 1, the department shall coordinate and convene with relevant stakeholders to discuss methods to improve program funding with a goal of aligning fee revenue with program costs for geologic resources management in future fiscal years.

WATER INFRASTRUCTURE

Sec. 951. The funds appropriated in part 1 for lead service line replacement must be used to support water infrastructure projects, including, but not limited to, lead service line replacement and associated activities, drinking water projects, wastewater management, or stormwater management to promote coordinated water infrastructure work.

ONE-TIME APPROPRIATIONS

Sec. 1001. The unexpended funds appropriated in part 1 for document digitization, transparency, and modernization are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section 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 support the digitization and indexing of department records.

(b) The project will be accomplished by utilizing state resources or contracts with service providers, or both.

(c) The total estimated cost of the project is $5,000,000.00.

(d) The tentative completion date is September 30, 2029.

Sec. 1002. The unexpended funds appropriated in part 1 for geologic resources management –one-time are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section 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 support geologic resources management.

(b) The project will be accomplished by utilizing state resources or contracts with service providers, or both.

(c) The total estimated cost of the project is $5,000,000.00.

(d) The tentative completion date is September 30, 2029.

Sec. 1003. (1) The funds appropriated in part 1 for lead service line replacement one-time must be used to support water infrastructure projects, including, but not limited to, lead service line replacement and associated activities, drinking water projects, wastewater management, or stormwater management to promote coordinated water infrastructure work.

(2) The unexpended funds appropriated in part 1 for lead service line replacement one-time are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section 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 support the upgrade or replacement of water infrastructure.

(b) The project will be accomplished by utilizing state resources or contracts with service providers, or both.

(c) The total estimated cost of the project is $17,400,000.00.

(d) The tentative completion date is September 30, 2029.

Sec. 1004. The unexpended funds appropriated in part 1 for Michigan geological survey – one-time are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section 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 support the Michigan geological survey.

(b) The project will be accomplished by utilizing state resources or contracts with service providers, or both.

(c) The total estimated cost of the project is $2,300,000.00.

(d) The tentative completion date is September 30, 2029.

Sec. 1005. The department shall collaborate with qualified technical experts to develop and distribute permitting guidebooks. Qualified technical experts shall contribute subject-specific guidance relevant to the experts' respective fields. The guidebooks' areas of focus must include groundwater discharge permitting for large livestock operations, meat processors, and fruit and vegetable processors.

Sec. 1006. The unexpended funds appropriated in part 1 for water state revolving funds one-time are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section 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 support water infrastructure projects.

(b) The project will be accomplished by utilizing state resources or contracts with service providers, or both.

(c) The total estimated cost of the project is $34,000,000.00.

(d) The tentative completion date is September 30, 2029.

ARTICLE 5

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the legislature, the executive, the department of attorney general, the department of state, the department of treasury, the department of technology, management, and budget, the department of civil rights, and certain other state purposes for the fiscal year ending September 30, 2026, from the following funds:

TOTAL GENERAL GOVERNMENT			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	34.0		
Full-time equated classified positions	7,722.2		
GROSS APPROPRIATION		**$**	**5,191,776,100**
Total interdepartmental grants and intradepartmental transfers			1,231,093,400
ADJUSTED GROSS APPROPRIATION		**$**	**3,960,682,700**
Federal revenues:			
Total federal revenues			44,573,800
Special revenue funds:			
Total local revenues			17,671,700
Total private revenues			4,763,200
Total other state restricted revenues			2,718,649,500
State general fund/general purpose		**$**	**1,175,024,500**
Sec. 102. DEPARTMENT OF ATTORNEY GENERAL			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	679.0		
GROSS APPROPRIATION		**$**	**126,400,600**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			39,381,700
ADJUSTED GROSS APPROPRIATION		**$**	**87,018,900**
Federal revenues:			
Total federal revenues			10,567,200
Special revenue funds:			
Total local revenues			0
Total private revenues			950,000
Total other state restricted revenues			30,223,700
State general fund/general purpose		**$**	**45,278,000**
(2) ATTORNEY GENERAL OPERATIONS			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	679.0		
Attorney general		$	112,500

			For Fiscal Year Ending Sept. 30, 2026
Unclassified salaries—FTEs	5.0	$	993,100
Alcohol and gambling enforcement—FTEs	17.0		2,881,800
Assistance with convictions and expungements—FTEs	30.0		4,750,000
Child elder family financial crimes—FTEs	20.5		5,094,700
Child support enforcement—FTEs	25.0		4,079,100
Children and youth services—FTEs	28.0		5,300,000
Civil rights and elections—FTEs	12.0		2,450,000
Collections—FTEs	15.5		2,775,000
Corporate oversight—FTEs	48.0		9,294,000
Corrections—FTEs	40.0		7,700,000
Criminal appellate and parole appeals—FTEs	17.0		2,383,100
Criminal investigations—FTEs	46.0		2,976,500
Criminal trials—FTEs	37.0		10,700,900
Environment, natural resources, and agriculture—FTEs	34.0		6,774,400
Executive office—FTEs	7.0		1,305,000
Finance—FTEs	11.0		2,392,900
Fiscal management—FTEs	9.0		1,255,000
Health care fraud—FTEs	35.0		6,208,900
Health education and family services—FTEs	36.0		5,785,100
Human resources—FTEs	7.0		1,115,000
Labor—FTEs	34.0		5,233,800
Licensing and regulation—FTEs	38.0		4,950,000
Office of communications—FTEs	9.0		1,180,000
Office of legislative affairs—FTEs	2.0		420,800
Opinions review board—FTE	1.0		330,000
Public administration—FTEs	3.0		423,000
Public service division—FTEs	14.0		2,471,500
Revenue and tax—FTEs	27.0		5,600,000
Sexual assault law enforcement—FTEs	5.0		1,493,700
Solicitor general—FTEs	4.0		1,675,000
Special litigation—FTEs	5.0		2,112,600
State operations—FTEs	42.0		8,578,100
Transportation—FTEs	10.0		2,544,400
Victim rights/victim services—FTEs	10.0		1,355,000
GROSS APPROPRIATION		**$**	**124,694,900**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOC			737,200
IDG from MDE			822,100
IDG from EGLE			2,445,500
IDG from MDHHS, health policy			330,100
IDG from MDHHS, human services			6,938,300
IDG from MDHHS, medical services administration			778,100
IDG from MDHHS, WIC			373,000
IDG from MDIFS, financial and insurance services			1,613,100
IDG from LEO, Michigan occupational safety and health administration			211,400
IDG from LEO, workforce development			100,700
IDG from MDLARA, cannabis regulatory agency			2,528,900
IDG from MDLARA, fireworks safety fund			91,100
IDG from MDLARA, health professions			3,146,300
IDG from MDLARA, licensing and regulation fees			795,000
IDG from MDLARA, remonumentation fees			118,100
IDG from MDLARA, securities fees			779,700
IDG from MDLARA, unlicensed builders			1,198,300

		For Fiscal Year Ending Sept. 30, 2026
IDG from MDMVA	$	181,700
IDG from MDOS, children's protection registry		45,000
IDG from MDOT, comprehensive transportation fund		111,500
IDG from MDOT, state aeronautics fund		196,400
IDG from MDOT, state trunkline fund		2,236,500
IDG from MDSP		288,000
IDG from MDTMB		1,352,200
IDG from MDTMB, civil service commission		342,300
IDG from MDTMB, risk management revolving fund		1,410,000
IDG from MILEAP		1,004,600
IDG from Michigan state housing development authority		1,287,600
IDG from Michigan strategic fund		202,800
IDG from treasury		7,716,200
Federal revenues:		
DAG, state administrative match grant/food stamps		137,000
Federal funds		3,801,500
HHS, medical assistance, medigrant		419,800
HHS-OS, state Medicaid fraud control units		6,208,900
Special revenue funds:		
Adjudicated criminal property seizures		950,000
Antitrust enforcement collections		854,500
Attorney general's operations fund		1,118,600
Attorney general support fund		8,000,000
Auto repair facilities fees		372,200
Franchise fees		429,200
Game and fish protection fund		687,600
Human trafficking commission fund		170,000
Lawsuit settlement proceeds fund		2,697,600
Liquor purchase revolving fund		1,647,500
Michigan employment security act - administrative fund		2,521,000
Michigan merit award trust fund		542,400
Michigan opioid healing and recovery		199,500
Mobile home code fund		274,700
Prisoner reimbursement		790,600
Public utility assessments		2,221,700
Reinstatement fees		288,700
Retirement funds		1,169,500
Second injury fund		670,400
Self-insurers security fund		409,600
Silicosis and dust disease fund		117,900
State building authority revenue		133,200
State casino gaming fund		1,987,800
State lottery fund		393,200
Utility consumer representation fund		1,962,600
Waterways account		153,600
Worker's compensation administrative revolving fund		410,100
State general fund/general purpose	**$**	**43,572,300**
(3) INFORMATION TECHNOLOGY		
Information technology services and projects	$	1,705,700
GROSS APPROPRIATION	**$**	**1,705,700**
Appropriated from:		
State general fund/general purpose	**$**	**1,705,700**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 103. DEPARTMENT OF CIVIL RIGHTS			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	168.0		
GROSS APPROPRIATION		**$**	**28,439,700**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**28,439,700**
Federal revenues:			
Total federal revenues			2,899,300
Special revenue funds:			
Total local revenues			0
Total private revenues			18,700
Total other state restricted revenues			58,500
State general fund/general purpose		**$**	**25,463,200**
(2) CIVIL RIGHTS OPERATIONS			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	168.0		
Unclassified salaries—FTEs	6.0	$	869,800
Complaint investigation and enforcement—FTEs	123.0		19,646,700
Division on deaf, deafblind, and hard of hearing—FTEs	6.0		761,400
Executive office—FTEs	25.0		3,290,300
Public affairs—FTEs	14.0		2,322,600
GROSS APPROPRIATION		**$**	**26,890,800**
Appropriated from:			
Federal revenues:			
EEOC, state and local antidiscrimination agency contracts			1,257,700
HUD, grant			1,626,600
Special revenue funds:			
Private revenues			18,700
State restricted indirect funds			58,500
State general fund/general purpose		**$**	**23,929,300**
(3) INFORMATION TECHNOLOGY			
Information technology services and projects		$	1,548,900
GROSS APPROPRIATION		**$**	**1,548,900**
Appropriated from:			
Federal revenues:			
EEOC, state and local antidiscrimination agency contracts			15,000
State general fund/general purpose		**$**	**1,533,900**
Sec. 104. EXECUTIVE OFFICE			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	86.2		
GROSS APPROPRIATION		**$**	**9,609,200**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**9,609,200**
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		**$**	**9,609,200**

			For Fiscal Year Ending Sept. 30, 2026
(2) EXECUTIVE OFFICE OPERATIONS			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	86.2		
Unclassified salaries—FTEs	8.0	$	1,670,500
Governor			159,300
Lieutenant governor			111,600
Executive office—FTEs	86.2		7,667,800
GROSS APPROPRIATION		**$**	**9,609,200**
Appropriated from:			
State general fund/general purpose		**$**	**9,609,200**
Sec. 105. LEGISLATURE			
(1) APPROPRIATION SUMMARY			
GROSS APPROPRIATION		**$**	**232,522,100**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			7,445,000
ADJUSTED GROSS APPROPRIATION		**$**	**225,077,100**
Federal revenues:			
Total federal revenues			0
Special revenue funds:			
Total local revenues			0
Total private revenues			474,700
Total other state restricted revenues			8,016,700
State general fund/general purpose		**$**	**216,585,700**
(2) LEGISLATURE			
Senate		$	51,298,900
Senate automated data processing			3,242,100
Senate fiscal agency			4,907,300
House of representatives			75,337,200
House automated data processing			3,242,100
House fiscal agency			4,907,300
GROSS APPROPRIATION		**$**	**142,934,900**
Appropriated from:			
State general fund/general purpose		**$**	**142,934,900**
(3) LEGISLATIVE COUNCIL			
Legislative corrections ombudsman		$	1,609,600
Legislative council			16,719,600
Legislative service bureau automated data processing			3,767,800
Michigan veterans' facility ombudsman			374,100
National association dues			714,300
Office of tribal legislative liaison			507,500
Sentencing commission			100
Worker's compensation			179,800
GROSS APPROPRIATION		**$**	**23,872,800**
Appropriated from:			
State general fund/general purpose		**$**	**23,872,800**
(4) LEGISLATIVE RETIREMENT SYSTEM			
Actuarially determined contribution		$	100
General nonretirement expenses			6,374,300
GROSS APPROPRIATION		**$**	**6,374,400**
Appropriated from:			
Special revenue funds:			
Court fees			1,483,300
State general fund/general purpose		**$**	**4,891,100**

		For Fiscal Year Ending Sept. 30, 2026
(5) PROPERTY MANAGEMENT		
Binsfeld Office Building and other properties	$	10,013,000
Cora Anderson Building		6,927,400
GROSS APPROPRIATION	**$**	**16,940,400**
Appropriated from:		
State general fund/general purpose	**$**	**16,940,400**
(6) STATE CAPITOL HISTORIC SITE		
Bond/lease obligations	$	100
General operations		6,672,700
Restoration, renewal, and maintenance		4,020,500
GROSS APPROPRIATION	**$**	**10,693,300**
Appropriated from:		
Special revenue funds:		
Private - gifts and bequests		474,700
Capitol historic site fund		4,020,500
State general fund/general purpose	**$**	**6,198,100**
(7) OFFICE OF THE AUDITOR GENERAL		
Unclassified positions	$	440,000
Field operations		31,266,300
GROSS APPROPRIATION	**$**	**31,706,300**
Appropriated from:		
Interdepartmental grant revenues:		
IDG, commercial mobile radio system emergency telephone fund		45,600
IDG, contract audit administration fees		83,500
IDG, deferred compensation funds		115,000
IDG, emp ben div postemployment life insurance benefit		23,400
IDG from LEO, self-insurers security fund		98,500
IDG from MDHHS, human services		38,700
IDG from MDLARA, liquor purchase revolving fund		133,700
IDG from MDMVA, Michigan veterans' facility authority		106,500
IDG from MDOT, comprehensive transportation fund		47,800
IDG from MDOT, Michigan transportation fund		388,200
IDG from MDOT, state aeronautics fund		37,600
IDG from MDOT, state trunkline fund		901,600
IDG, legislative retirement system		31,900
IDG, Michigan economic development corporation		155,000
IDG, Michigan education trust fund		74,500
IDG, Michigan finance authority		314,400
IDG, Michigan justice training commission fund		60,000
IDG, Michigan strategic fund		253,800
IDG, office of retirement services		910,900
IDG, other restricted funding sources		26,800
IDG, pension schedules of employer allocations funds		124,000
IDG, single audit act		3,387,600
IDG, state sponsored group insurance fund		86,000
Special revenue funds:		
21st century jobs trust fund		118,600
Brownfield redevelopment fund		34,700
Game and fish protection account		38,600
MDTMB, civil service commission		218,700
Michigan state housing development authority fees		139,700
Michigan veterans' trust fund		2,000
Michigan veterans' trust fund income and assessments		23,000

			For Fiscal Year Ending Sept. 30, 2026
Motor transport revolving fund		**$**	9,000
Office services revolving fund			12,500
State disbursement unit, office of child support			70,500
State services fee fund			1,831,700
Waterways account			13,900
State general fund/general purpose		**$**	**21,748,400**
Sec. 106. DEPARTMENT OF STATE			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	1,601.0		
GROSS APPROPRIATION		**$**	**294,983,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			20,000,000
ADJUSTED GROSS APPROPRIATION		**$**	**274,983,000**
Federal revenues:			
Total federal revenues			1,460,000
Special revenue funds:			
Total local revenues			0
Total private revenues			50,100
Total other state restricted revenues			261,503,800
State general fund/general purpose		**$**	**11,969,100**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	126.0		
Secretary of state		$	112,500
Unclassified salaries—FTEs	5.0		828,300
Executive direction—FTEs	28.0		5,185,900
Operations—FTEs	98.0		27,192,200
Property management			11,061,800
Worker's compensation			139,200
GROSS APPROPRIATION		**$**	**44,519,900**
Appropriated from:			
Special revenue funds:			
Abandoned vehicle fees			239,800
Auto repair facilities fees			125,800
Children's protection registry fund			272,300
Driver fees			2,597,000
Enhanced driver license and enhanced official state personal identification card fund			2,181,500
Parking ticket court fines			13,600
Personal identification card fees			101,900
Scrap tire fund			78,600
Transportation administration collection fund			37,843,300
State general fund/general purpose		**$**	**1,066,100**
(3) LEGAL SERVICES			
Full-time equated classified positions	179.0		
Operations—FTEs	179.0	$	25,588,500
GROSS APPROPRIATION		**$**	**25,588,500**
Appropriated from:			
Special revenue funds:			
Auto repair facilities fees			3,250,600
Driver education provider and instructor fund			150,000
Driver fees			1,658,500
Enhanced driver license and enhanced official state personal identification card fund			2,902,200

			For Fiscal Year Ending Sept. 30, 2026
Reinstatement fees - operator licenses		**$**	598,500
Transportation administration collection fund			16,077,500
Vehicle theft prevention fees			748,600
State general fund/general purpose		**$**	**202,600**
(4) CUSTOMER DELIVERY SERVICES			
Full-time equated classified positions	1,216.0		
Branch operations—FTEs	888.0	$	99,863,100
Central operations—FTEs	326.0		54,175,500
Digital ID			100,000
Motorcycle safety education administration—FTEs	2.0		654,700
Motorcycle safety education grants			2,100,000
Organ donor program			129,100
GROSS APPROPRIATION		**$**	**157,022,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			20,000,000
Federal revenues:			
DOT			860,000
OHSP			600,000
Special revenue funds:			
Private funds			100
Thomas Daley gift of life fund			50,000
Abandoned vehicle fees			450,900
Auto repair facilities fees			763,700
Child support clearance fees			100,000
Driver fees			22,881,500
Driver improvement course fund			800,000
Enhanced driver license and enhanced official state personal identification card fund			14,090,200
Expedient service fees			2,996,700
Marine safety fund			1,579,000
Michigan state police auto theft fund			123,000
Mobile home commission fees			511,200
Motorcycle safety and education awareness fund			350,000
Motorcycle safety fund			2,104,700
Off-road vehicle title fees			170,700
Parking ticket court fines			518,400
Personal identification card fees			2,399,500
Recreation passport fee revenue			1,000,000
Reinstatement fees - operator licenses			1,028,200
Snowmobile registration fee revenue			390,000
Transportation administration collection fund			81,381,200
Vehicle theft prevention fees			786,000
State general fund/general purpose		**$**	**1,087,400**
(5) ELECTION REGULATION			
Full-time equated classified positions	80.0		
County clerk education and training fund		$	100,000
Election administration and services—FTEs	80.0		28,641,200
Fees to local units			109,800
GROSS APPROPRIATION		**$**	**28,851,000**
Appropriated from:			
Special revenue funds:			
Election administration support fund			20,255,500
Notary education and training fund			100,000
Notary fee fund			200,000
State general fund/general purpose		**$**	**8,295,500**

			For Fiscal Year Ending Sept. 30, 2026
(6) INFORMATION TECHNOLOGY			
Information technology services and projects		$	39,001,200
GROSS APPROPRIATION		**$**	**39,001,200**
Appropriated from:			
Special revenue funds:			
Administrative order processing fee			11,800
Auto repair facilities fees			129,800
Driver fees			789,600
Enhanced driver license and enhanced official state personal identification card fund			861,900
Expedient service fees			803,300
Personal identification card fees			174,000
Transportation administration collection fund			34,731,600
Vehicle theft prevention fees			181,700
State general fund/general purpose		**$**	**1,317,500**
Sec. 107. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	3,232.5		
GROSS APPROPRIATION		**$**	**1,843,476,400**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			1,152,596,000
ADJUSTED GROSS APPROPRIATION		**$**	**690,880,400**
Federal revenues:			
Total federal revenues			4,393,300
Special revenue funds:			
Total local revenues			2,360,100
Total private revenues			229,400
Total other state restricted revenues			145,578,700
State general fund/general purpose		**$**	**538,318,900**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	921.0		
Unclassified salaries—FTEs	6.0	$	1,134,600
Administrative services—FTEs	177.5		27,726,400
Budget and financial management—FTEs	199.0		42,972,000
Building operation services—FTEs	266.0		110,985,500
Business support services—FTEs	108.0		17,850,900
Design and construction services—FTEs	54.0		9,861,500
Executive operations—FTEs	11.0		2,473,300
Michigan center for data and analytics—FTEs	42.0		7,013,700
Motor vehicle fleet—FTEs	39.0		101,194,600
Office of the state employer—FTEs	10.0		1,923,800
Property management			11,215,600
State archives—FTEs	14.5		2,077,100
GROSS APPROPRIATION		**$**	**336,429,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from accounting service centers user charges			6,879,800
IDG from building occupancy and parking charges			113,660,200
IDG from MDHHS			757,700
IDG from MDLARA			100,000
IDG from motor transport fund			101,194,600
IDG from technology user fees			11,701,400

			For Fiscal Year Ending Sept. 30, 2026
IDG from user fees		**$**	9,964,100
Federal revenues:			
Federal funds			4,393,200
Special revenue funds:			
Local funds			35,000
Local - MPSCS subscriber and maintenance fees			24,600
Private funds			229,300
Health management funds			438,200
Other agency charges			1,307,600
SIGMA user fees			2,621,200
Special revenue, internal service, and pension trust funds			23,973,200
State restricted indirect funds			3,633,000
State general fund/general purpose		**$**	**55,515,900**
(3) TECHNOLOGY SERVICES			
Full-time equated classified positions	1,642.5		
Enterprise user experience—FTEs	14.0	$	4,260,500
Homeland security initiative/cybersecurity—FTEs	58.0		29,014,800
Information technology investment fund			35,000,000
Information technology services—FTEs	1,433.5		902,505,300
Michigan public safety communication system—FTEs	137.0		49,511,500
GROSS APPROPRIATION		**$**	**1,020,292,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from technology user fees			902,505,300
Special revenue funds:			
Local - MPSCS subscriber and maintenance fees			2,300,400
State general fund/general purpose		**$**	**115,486,400**
(4) STATEWIDE APPROPRIATIONS			
Professional development fund - AFSCME		$	50,000
Professional development fund - MPE, SEIU, scientific and engineering unit			100,000
Professional development fund - MPE, SEIU, technical unit			50,000
Professional development fund - NEREs			200,000
Professional development fund - UAW			700,000
GROSS APPROPRIATION		**$**	**1,100,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from employer contributions			1,100,000
State general fund/general purpose		**$**	**0**
(5) SPECIAL PROGRAMS			
Full-time equated classified positions	199.0		
Capital city services		$	1,000,000
Make it in Michigan			400
Office of the child advocate—FTEs	22.0		3,878,000
Property management executive/legislative			1,519,600
Retirement services—FTEs	177.0		30,340,900
GROSS APPROPRIATION		**$**	**36,738,900**
Appropriated from:			
Federal revenues:			
Federal funds			100
Special revenue funds:			
Local funds			100
Private funds			100
Deferred compensation			5,246,600

			For Fiscal Year Ending Sept. 30, 2026
Make it in Michigan competitiveness fund		**$**	100
Pension trust funds			25,001,300
State general fund/general purpose		**$**	**6,490,600**
(6) STATE BUILDING AUTHORITY RENT			
State building authority rent - community colleges		$	38,032,600
State building authority rent - state agencies			81,465,200
State building authority rent - universities			142,153,900
GROSS APPROPRIATION		**$**	**261,651,700**
Appropriated from:			
State general fund/general purpose		**$**	**261,651,700**
(7) CIVIL SERVICE COMMISSION			
Full-time equated classified positions	470.0		
Agency services—FTEs	113.0	$	18,243,700
Employee benefits—FTEs	29.0		6,673,000
Executive direction—FTEs	35.0		9,911,500
Human resources operations—FTEs	293.0		39,620,800
Information technology services and projects			12,199,600
GROSS APPROPRIATION		**$**	**86,648,600**
Appropriated from:			
Special revenue funds:			
State restricted funds 1%			34,669,100
State restricted indirect funds			14,310,600
State sponsored group insurance			11,390,400
State general fund/general purpose		**$**	**26,278,500**
(8) CAPITAL OUTLAY			
Enterprisewide special maintenance for state facilities		$	24,000,000
Major special maintenance, remodeling, and addition for state agencies			3,800,000
GROSS APPROPRIATION		**$**	**27,800,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from building occupancy charges			3,800,000
State general fund/general purpose		**$**	**24,000,000**
(9) INFORMATION TECHNOLOGY			
Information technology services and projects		$	52,816,100
GROSS APPROPRIATION		**$**	**52,816,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from building occupancy and parking charges			723,200
IDG from user fees			209,700
Special revenue funds:			
Deferred compensation			2,600
Pension trust funds			15,219,600
SIGMA user fees			2,974,800
Special revenue, internal service, and pension trust funds			2,706,500
State restricted indirect funds			2,083,900
State general fund/general purpose		**$**	**28,895,800**
(10) ONE-TIME APPROPRIATIONS			
Election equipment reserve fund		$	5,000,000
Information technology investment fund			15,000,000
GROSS APPROPRIATION		**$**	**20,000,000**
Appropriated from:			
State general fund/general purpose		**$**	**20,000,000**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 108. DEPARTMENT OF TREASURY			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	1,955.5		
GROSS APPROPRIATION		**$**	**2,656,345,100**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			11,670,700
ADJUSTED GROSS APPROPRIATION		**$**	**2,644,674,400**
Federal revenues:			
Total federal revenues			25,254,000
Special revenue funds:			
Total local revenues			15,311,600
Total private revenues			3,040,300
Total other state restricted revenues			2,273,268,100
State general fund/general purpose		**$**	**327,800,400**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	458.5		
Unclassified salaries—FTEs	10.0	$	1,311,100
Bureau of accounting and financial services—FTEs	72.0		9,683,900
Bureau of operational excellence—FTEs	25.0		4,056,900
Collections services bureau—FTEs	190.0		29,067,700
Department services—FTEs	64.0		7,697,000
Executive direction and operations—FTEs	55.5		8,715,100
Office of security and data risk management—FTEs	20.0		3,070,900
Property management			8,044,600
Unclaimed property—FTEs	32.0		5,738,100
Worker's compensation			44,400
GROSS APPROPRIATION		**$**	**77,429,700**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, data/collection services fees			339,100
IDG from accounting service center user charges			417,500
IDG from MDHHS, title IV-D			838,600
IDG, levy/warrant cost assessment fees			3,750,400
IDG, state agency collection fees			2,054,500
Federal revenues:			
DED-OPSE, federal lenders allowance			511,600
DED-OPSE, higher education act of 1965, insured loans			548,400
Special revenue funds:			
Delinquent tax collection revenue			41,880,500
Escheats revenue			5,738,100
Garnishment fees			2,876,200
Justice system fund			458,800
Marihuana regulation fund			1,291,800
Marihuana regulatory fund			193,900
MFA, bond and loan program revenue			677,800
State lottery fund			330,300
State restricted indirect funds			288,900
State services fee fund			376,400
Treasury fees			47,200
State general fund/general purpose		**$**	**14,809,700**

			For Fiscal Year Ending Sept. 30, 2026
(3) LOCAL GOVERNMENT PROGRAMS			
Full-time equated classified positions	103.0		
Flint settlement payment		$	35,000,000
Local finance—FTEs	18.0		2,593,400
Michigan infrastructure council—FTEs	3.0		3,066,000
Property tax assessor training—FTE	1.0		1,051,600
Supervision of the general property tax law—FTEs	81.0		18,586,800
GROSS APPROPRIATION		**$**	**60,297,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			254,700
Special revenue funds:			
Local - assessor training fees			1,051,600
Local - audit charges			623,500
Local - equalization study chargebacks			40,000
Local - revenue from local government			100,000
Delinquent tax collection revenue			1,667,600
Land reutilization fund			2,073,800
Municipal finance fees			599,100
State general fund/general purpose		**$**	**53,887,500**
(4) TAX PROGRAMS			
Full-time equated classified positions	731.0		
Bottle act implementation		$	250,000
Home heating assistance			3,131,400
Insurance provider assessment program—FTEs	8.0		2,242,600
Living donor tax credit			750,000
Office of revenue and tax analysis—FTEs	25.0		4,881,200
Tax and economic policy—FTEs	73.0		14,097,800
Tax compliance—FTEs	289.0		45,116,200
Tax processing—FTEs	325.0		43,736,200
Tobacco tax enforcement—FTEs	11.0		1,632,800
GROSS APPROPRIATION		**$**	**115,838,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			2,894,100
IDG from MDOT, state aeronautics fund			72,200
Federal revenues:			
HHS-SSA, low-income energy assistance			3,131,400
Special revenue funds:			
Bottle deposit fund			250,000
Brownfield redevelopment fund			213,800
Comprehensive road funding fund			500,000
Delinquent tax collection revenue			76,842,500
Insurance provider fund			2,242,600
Marihuana regulation fund			2,665,700
Marihuana regulatory fund			119,300
Qualified heavy equipment rental personal property exemption reimbursement fund			422,900
Tobacco tax revenue			4,277,300
Waterways account			107,100
State general fund/general purpose		**$**	**22,099,300**
(5) FINANCIAL PROGRAMS			
Full-time equated classified positions	135.0		
Investments—FTEs	81.0	$	22,858,500

			For Fiscal Year Ending Sept. 30, 2026
State and authority finance—FTEs	20.0	$	4,779,500
Student financial assistance programs—FTEs	34.0		20,472,400
GROSS APPROPRIATION		**$**	**48,110,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, fiscal agent service fees			215,200
Federal revenues:			
DED-OPSE, federal lenders allowance			3,429,300
DED-OPSE, higher education act of 1965, insured loans			17,043,100
Special revenue funds:			
Defined contribution administrative fee revenue			300,000
Michigan finance authority bond and loan program revenue			2,848,900
Retirement funds			17,516,900
School bond fees			938,500
Treasury fees			5,271,100
State general fund/general purpose		**$**	**547,400**
(6) DEBT SERVICE			
Clean Michigan initiative		$	24,203,000
Great Lakes water quality bond			62,560,000
Quality of life bond			3,118,000
GROSS APPROPRIATION		**$**	**89,881,000**
Appropriated from:			
State general fund/general purpose		**$**	**89,881,000**
(7) GRANTS			
Convention facility development distribution		$	128,730,700
Election administration support fund			20,255,500
Emergency 911 payments			49,118,600
Health and safety fund grants			1,220,900
Qualified heavy equipment rental personal property exemption reimbursement distribution			4,500,000
Recreational marihuana grants			105,600,000
Senior citizen cooperative housing tax exemption program			12,125,100
Wrongful imprisonment compensation fund			10,000,000
GROSS APPROPRIATION		**$**	**331,550,800**
Appropriated from:			
Special revenue funds:			
Convention facility development fund			128,730,700
Emergency 911 fund			49,118,600
Health and safety fund			1,220,900
Marihuana regulation fund			105,600,000
Qualified heavy equipment rental personal property exemption reimbursement fund			4,500,000
State general fund/general purpose		**$**	**42,380,600**
(8) BUREAU OF STATE LOTTERY			
Full-time equated classified positions	210.0		
Lottery information technology services and projects		$	3,857,800
Lottery operations—FTEs	210.0		34,271,500
GROSS APPROPRIATION		**$**	**38,129,300**
Appropriated from:			
Special revenue funds:			
State lottery fund			38,129,300
State general fund/general purpose		**$**	**0**
(9) CASINO GAMING			
Full-time equated classified positions	223.0		
Casino gaming control operations—FTEs	197.0	$	42,660,500

			For Fiscal Year Ending Sept. 30, 2026
Gaming information technology services and projects		**$**	5,370,000
Horse racing—FTEs	6.0		2,160,100
Michigan gaming control board			113,600
Millionaire party regulation—FTEs	20.0		3,258,500
GROSS APPROPRIATION		**$**	**53,562,700**
Appropriated from:			
Special revenue funds:			
Casino gambling agreements			1,025,300
Equine development fund			2,280,900
Fantasy contest fund			1,082,600
Internet gaming fund			16,007,900
Internet sports betting fund			3,011,600
State services fee fund			30,154,400
State general fund/general purpose		**$**	**0**
(10) PAYMENTS IN LIEU OF TAXES			
Commercial forest reserve		$	3,603,900
Purchased lands			12,910,600
Swamp and tax reverted lands			21,798,000
GROSS APPROPRIATION		**$**	**38,312,500**
Appropriated from:			
Special revenue funds:			
Private funds			40,300
Game and fish protection fund			4,374,900
Michigan natural resources trust account			3,289,700
Waterways account			379,700
State general fund/general purpose		**$**	**30,227,900**
(11) REVENUE SHARING			
City, village, and township revenue sharing		$	333,547,300
Constitutional state general revenue sharing grants			1,010,082,900
County revenue sharing			291,111,400
Financially distressed cities, villages, or townships			2,500,000
Public safety revenue sharing grants			50,000,000
GROSS APPROPRIATION		**$**	**1,687,241,600**
Appropriated from:			
Special revenue funds:			
Sales tax			1,687,241,600
State general fund/general purpose		**$**	**0**
(12) STATE BUILDING AUTHORITY			
Full-time equated classified positions	4.0		
State building authority—FTEs	4.0	$	1,026,200
GROSS APPROPRIATION		**$**	**1,026,200**
Appropriated from:			
Special revenue funds:			
State building authority revenue			1,026,200
State general fund/general purpose		**$**	**0**
(13) CITY INCOME TAX ADMINISTRATION PROGRAM			
Full-time equated classified positions	77.0		
City income tax administration program—FTEs	77.0	$	11,222,000
GROSS APPROPRIATION		**$**	**11,222,000**
Appropriated from:			
Special revenue funds:			
Local - city income tax fund			11,222,000
State general fund/general purpose		**$**	**0**

			For Fiscal Year Ending Sept. 30, 2026
(14) INFORMATION TECHNOLOGY			
Treasury operations information technology services and projects		$	50,587,800
GROSS APPROPRIATION		**$**	**50,587,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			834,400
Federal revenues:			
DED-OPSE, federal lenders allowance			590,200
Special revenue funds:			
Local - city income tax fund			2,274,500
Delinquent tax collection revenue			18,379,600
Marihuana regulation fund			778,200
Retirement funds			829,700
Tobacco tax revenue			134,200
State general fund/general purpose		**$**	**26,767,000**
(15) ONE-TIME APPROPRIATIONS			
Full-time equated classified positions	14.0		
Comprehensive road funding administration		$	2,500,000
Financial literacy			3,000,000
Prosecuting attorneys coordinating council—FTEs	14.0		2,655,100
Public safety constituency grants			25,000,000
Public safety revenue sharing grants			20,000,000
GROSS APPROPRIATION		**$**	**53,155,100**
Appropriated from:			
Special revenue funds:			
Private funds			3,000,000
Comprehensive road funding fund			2,500,000
Prosecuting attorneys training fees			455,100
State general fund/general purpose		**$**	**47,200,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. (1) In accordance with section 30 of article IX of the state constitution of 1963 for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $3,893,674,000.00 and state spending under part 1 from state sources to be paid to local units of government is $2,130,765,800.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE		
Election administration and services	$	10,000,000
Fees to local units		500
Motorcycle safety education grants		1,415,900
Subtotal	$	11,416,400
DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET		
Capital city services	$	1,000,000
Election equipment reserve fund		5,000,000
Subtotal	$	6,000,000
DEPARTMENT OF TREASURY		
Airport parking distribution pursuant to section 909	$	46,000,000
City, village, and township revenue sharing		333,547,300

		For Fiscal Year Ending Sept. 30, 2026
Commercial forest reserve	$	3,603,900
Constitutional state general revenue sharing grants		1,010,082,900
Convention facility development fund distribution		128,730,700
County revenue sharing		291,111,400
Emergency 9-1-1 payments		49,118,600
Financially distressed cities, villages, or townships		2,500,000
Health and safety fund grants		1,220,900
Public safety constituency grants		25,000,000
Public safety revenue sharing grants		70,000,000
Purchased lands		12,910,600
Recreational marihuana grants		105,600,000
Senior citizen cooperative housing tax exemption		12,125,100
Swamp and tax reverted lands		21,798,000
Subtotal	$	2,113,349,400
TOTAL	**$**	**2,130,765,800**

(2) In accordance with section 30 of article IX of the state constitution of 1963, in the appropriations acts for the fiscal year ending September 30, 2026, total state spending from state sources is estimated at $43,096,307,800.00 and total state spending from state sources to be paid to local units of government is estimated at $25,715,408,000.00. The proportion of total state spending from state sources to be paid to local units is estimated at 59.7%.

(3) If payments to local units of government and state spending from state sources for the fiscal year ending September 30, 2026 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 the fiscal year ending September 30, 2026 to the standard report recipients and to the senate and house of representatives standing committees on appropriations not later than 30 days after the final book-closing for the fiscal year ending September 30, 2026.

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272.

(b) "DAG" means the United States Department of Agriculture.

(c) "DED" means the United States Department of Education.

(d) "DED-OPSE" means the DED Office of Postsecondary Education.

(e) "EEOC" means the United States Equal Employment Opportunity Commission.

(f) "FTE" means full-time equated.

(g) "Geographically disadvantaged business enterprise" means a geographically-disadvantaged business enterprise as that term is defined by Executive Directive No. 2023-1.

(h) "GF/GP" means general fund/general purpose.

(i) "HHS" means the United States Department of Health and Human Services.

(j) "HHS-OS" means the HHS Office of the Secretary.

(k) "HHS-SSA" means the Social Security Administration.

(*l*) "HUD" means the United States Department of Housing and Urban Development.

(m) "IDG" means interdepartmental grant.

(n) "JCOS" means the joint capital outlay subcommittee.

(o) "MCL" means the Michigan Compiled Laws.

(p) "MDE" means the Michigan department of education.

(q) "MDHHS" means the Michigan department of health and human services.

(r) "MDIFS" means the Michigan department of insurance and financial services.

(s) "MDLARA" means the Michigan department of licensing and regulatory affairs.

(t) "MDLEO" means the Michigan department of labor and economic opportunity.

(u) "MDMVA" means the Michigan department of military and veterans affairs.

(v) "MDOC" means the Michigan department of corrections.

(w) "MDOS" means the Michigan department of state.

(x) "MDOT" means the Michigan department of transportation.

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

(z) "MDTMB" means the Michigan department of technology, management, and budget.

(aa) "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.

(bb) "MEGA" means the Michigan economic growth authority.

(cc) "MFA" means the Michigan finance authority.

(dd) "MPE" means the Michigan public employees.

(ee) "MPSCS" means the Michigan public safety communications system.

(ff) "MSF" means the Michigan strategic fund.

(gg) "NERE" means nonexclusively represented employees.

(hh) "PA" means public act.

(ii) "RFP" means a request for a proposal.

(jj) "SEIU" means Service Employees International Union.

(kk) "SIGMA" means statewide integrated governmental management applications.

(*ll*) "Standard report recipients" means the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(mm) "WIC" means women, infants, and children.

Sec. 204. A department or agency shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. A department or agency shall not take disciplinary action against an employee of a department or an agency within a department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department or agency is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel by classified and unclassified employees outside this state in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department or agency shall submit the report to the standard report recipients and to the house of representatives and senate appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state GF/GP revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 208. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides for estimates of the total GF/GP appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end GF/GP appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. (1) In accordance with section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, which provides for a transfer of state general fund revenue into or out of the countercyclical budget and economic stabilization fund, the calculations required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, are determined as follows:

	2024	2025	2026
Michigan personal income (millions)	$641,085	$664,164	$688,074
Less: transfer payments	139,341	146,082	151,986
Subtotal	$501,744	$518,082	$536,088
Divided by: Detroit Consumer Price Index for 12 months ending December 31	2.933	2.989	3.100
Equals: real adjusted Michigan personal income	$171,095	$173,309	$172,952
Percentage change	0.8%	1.3%	(0.2%)
Growth rate in excess of 2%	N/A	N/A	N/A
Equals: calculated transfer to countercyclical budget and economic stabilization fund for the fiscal year ending September 30, 2026 (millions)	N/A	$0.0	
Growth rate less than 0%	N/A	N/A	(0.2%)
Appropriation from countercyclical budget and economic stabilization fund allowed for the fiscal year ending September 30, 2026	N/A	NO	

(2) Notwithstanding subsection (1), there is appropriated for the fiscal year ending September 30, 2026 from GF/GP revenue for deposit into the countercyclical budget and economic stabilization fund the sum of $0.00.

Sec. 211. A department or agency shall cooperate with the MDTMB to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, a department or agency receiving appropriations in part 1 shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and the chairpersons of the senate and house of representatives appropriations committees.

Sec. 214. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department or agency contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both.

Sec. 215. On a quarterly basis, a department or agency receiving appropriations in part 1 and the office of the auditor general shall report on the number of FTEs in pay status by type of staff and civil service classification, including comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTE positions employed by the department or agency or the office of the auditor general at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 216. (1) A department or agency shall maximize utilization of its in-person state workforce. A department or agency shall prioritize occupancy utilization of office space for each division within the department or agency. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) A department or agency shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) A department or agency shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. A department or agency shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 217. Not later than 6 months after the state budget office issues work project letters, a department or agency shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 218. A department or agency receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. A department or agency shall follow federal and state law and guidelines for short-term and long-term retention of records. A department or agency may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 219. Not later than April 1, a department or agency receiving appropriations in part 1 shall report on each specific policy change made to implement a PA affecting the department or agency that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department or agency shall submit the report to the standard report recipients, to the senate and house of representatives appropriations committees, and to the joint committee on administrative rules.

Sec. 220. (1) A department or agency shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) A department or agency may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. A department or agency shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 221. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 222. To the extent possible, a department or agency shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. A department or agency must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department or agency, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department or agency.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 224. Not later than April 1, a department or agency shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 225. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 226. A department or agency shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 227. Not later than November 15, a department or agency shall disclose on a publicly accessible website private and other third-party funds received by the department or agency in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. (1) Not later than 30 days after enactment of this act, the legislature shall provide to each department and agency and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, a department or agency shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. A department or agency shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. A department or agency may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department or agency, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department or agency shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between a department or agency and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department or agency to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department or agency shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department or agency policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department or agency and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department or agency.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), a department or agency may adopt a memorandum of understanding with another department or agency to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from a department or agency related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by a department or agency. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, a department or agency shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a department or agency is appropriated in that department or agency for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, a department or agency shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. A department or agency shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. A department or agency shall include in the report the most comprehensive information the department or agency has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' and agencies' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments and agencies, the state budget office may compile that information across all affected departments and agencies and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If a department or agency reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department or agency shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 229. General fund appropriations in part 1 shall not be expended for items in cases where federal funding or private grant funding is available for the same expenditures.

Sec. 230. Funds appropriated in part 1 must not be used by this state or a department, agency, or 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, 1996 IL 1, MCL 432.201 to 432.226.

DEPARTMENT OF ATTORNEY GENERAL

Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $750,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $750,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $50,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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 the judge's 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 provide not more than 350 copies of the report required under section 30 of 1846 RS 12, MCL 14.30, on a gratis basis. If the attorney general provides 350 copies of the report on a gratis basis, the attorney general may sell additional copies of the report. The attorney general shall not provide gratis copies of the report to members of the legislature. Electronic copies of biennial reports must 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 deposit the money received from the sales into the general fund.

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

Sec. 307. (1) In addition to the antitrust enforcement collections revenues in part 1, not more than $350,000.00 in antitrust revenues, securities fraud revenues, consumer protection or class action enforcement revenues, or attorney fees recovered by the department of attorney general are appropriated to the department of attorney general for antitrust, securities fraud, and consumer protection or class action enforcement cases.

(2) Not more than $1,000,000.00 of the unexpended funds from antitrust revenues, securities fraud revenues, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, may be carried forward for expenditure in the following fiscal year.

(3) On request, the department of attorney general shall make available information detailing the amount of revenue described in subsection (1) recovered by the attorney general and a description of the source of the revenue and the carryforward amount.

Sec. 308. (1) In addition to the funds appropriated in part 1, not more than $1,000,000.00 is appropriated from litigation expense reimbursements awarded to this state.

(2) The funds described in subsection (1) may be expended for the payment of court judgments, settlements, arbitration awards or other administrative and litigation decisions, attorney fees, and litigation costs, assessed against the office of the governor, the department of attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against this state. The funds described in subsection (1) 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 may be carried forward for expenditure in the following year, but not more than a maximum authorization of $250,000.00.

Sec. 309. (1) From the prisoner reimbursement funds appropriated in part 1, the department of attorney general may expend not more than $790,600.00 on activities related to the state correctional facility reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department of attorney general collects more than $1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, not more than $1,000,000.00 of the excess is appropriated to the department of attorney general and may be spent on the representation of the MDOC and its officers, employees, and agents, including, but not limited to, the defense of litigation in civil actions filed by prisoners against this state, its departments, officers, employees, or agents.

(2) Not later than March 1, the department of attorney general shall submit a report to the standard report recipients and the house of representatives and senate appropriations subcommittees with jurisdiction over the budget of the MDOC. The report must include all of the following:

(a) The total amount of reimbursements received under section 6 of the state correctional facility reimbursement act, 1935 PA 253, MCL 800.406.

(b) A description of each expenditure made from the reimbursements.

(c) The amount paid to conduct the investigations from the reimbursements.

(d) The amount credited to the general fund from the reimbursements.

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

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

Sec. 312. The department of attorney general shall not receive or expend funds, other than those authorized in part 1, for legal services provided specifically to other state departments or agencies except for expert witness costs, court costs, or other nonsalary litigation costs associated with a pending legal action.

Sec. 313. The department of attorney general shall submit a quarterly report on the lawsuit settlement proceeds fund described in section 33 of 1846 RS 12, MCL 14.33, to the standard report recipients. Each report must include all of the following:

(a) The total amount of revenue deposited in the lawsuit settlement proceeds fund in the current fiscal year delineated by case.

(b) The total amount appropriated from the lawsuit settlement proceeds fund in the current fiscal year delineated by appropriation.

(c) Earned settlement proceeds that are anticipated but not yet deposited in the fund delineated by case.

(d) Any known potential settlement amounts from cases that have not been decided, delineated by case.

Sec. 315. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are $13,154,800.00. From this amount, total department of attorney general appropriations for pension-related legacy costs are estimated at $11,864,800.00. Total department of attorney general appropriations for retiree health care legacy costs are estimated at $1,290,000.00.

Sec. 316. (1) From the funds appropriated in part 1 for sexual assault law enforcement efforts, the department of attorney general shall use the funds to test backlogged sexual assault kits across this state. The funding provided in part 1 must be used for only 1 or more of the following purposes:

(a) To eliminate all county sexual assault kit backlogs across this state.

(b) To assist local prosecutors with investigations and prosecutions of viable sexual assault cases.

(c) To provide victim services.

(2) Not later than February 1, the department of attorney general shall submit a report to the standard report recipients. The report must include all of the following information:

(a) The number of sexual assault kits across this state that remain untested as of January 31, 2026.

(b) A detailed work plan that outlines the department of attorney general's action plan to eliminate all outstanding sexual assault kits and the time frame for completion of testing of all untested sexual assault kits.

(c) A detailed work and spending plan that outlines anticipated litigation action and expenditures resulting from findings of the sexual assault kit testing.

(3) Any funds remaining after the department of attorney general has met the obligations required under subsection (1) may be used for the purpose of retesting any previously tested sexual assault kits across this state using currently available DNA testing. Funds may be used under this subsection only for DNA testing on previously tested kits that were not tested for DNA. If there are remaining untested sexual assault kits on January 31, 2026, funds appropriated in part 1 must be used only for the testing of those kits.

Sec. 317. (1) The department of attorney general shall submit a report to the standard report recipients and the state budget director. The report must include all legal costs and associated expenses related to the declaration of emergency due to drinking water contamination and the investigations and any resulting prosecutions. The state budget director shall include the report in the Flint water emergency-financial and activities tracking and reporting document that is posted by the state budget director on the public website, https://www.michigan.gov/budget/fiscal-pages/reports/flint. The tracking and reporting documents must include the budget line item source for each expenditure.

(2) At the conclusion of all attorney general investigations related to the declaration of emergency due to drinking water contamination, all materials related to any investigations shall be preserved pursuant to applicable document retention policies.

Sec. 319. From the funds appropriated in part 1, the attorney general shall submit a quarterly report on the wrongful imprisonment compensation fund that includes at least all of the following:

(a) All payments made from the wrongful imprisonment compensation fund in each prior quarter of the fiscal year, and the total of those payments, including if each payment is part of a new settlement or part of an installment plan.

(b) Total payments made from each prior fiscal year and the total of all payments to date.

(c) Any settlements that have been decided but have yet to receive a payment.

(d) The number of known cases seeking a settlement, but do not have a final judgment, and the dollar amount of each potential payment for these known cases, and the total of these payments.

(e) The balance of the wrongful imprisonment compensation fund at the end of the previous quarter.

(f) The percentage of claims received in the immediately preceding fiscal quarter that were awarded compensation.

(g) The percentage of claims received in the immediately preceding fiscal year that were awarded compensation.

(h) For claims that did not receive the full amount of compensation sought, both of the following:

(*i*) The amount of compensation that was sought.

(*ii*) The amount of compensation that was received.

Sec. 320. (1) From the funds appropriated in part 1, the department of attorney general shall do all of the following:

(a) Not later than 14 days after the settlement of a lawsuit with a fiscal impact of $200,000.00 or more, submit a report on the settlement to the standard report recipients.

(b) Enforce the laws of this state.

(2) Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products or manufacturer or distributor of opioid products by the attorney general are state funds, unless otherwise directed by a court or legal agreement, and are subject to appropriation as provided by law.

Sec. 321. From the funds appropriated in part 1, the department of attorney general shall maintain a publicly accessible website dedicated to opioid settlement distributions. The website must include estimated future amounts payable to local units of government and estimated amounts received by local units of government, delineated by case settlement agreement.

Sec. 322. (1) Not later than February 1, the department of attorney general shall submit a report to the standard report recipients on the cumulative dollar expenditure amount related to each of the following initiatives and activities of the department of attorney general for the immediately preceding fiscal year:

(a) Catholic church investigation.

(b) Elder abuse task force.

(c) Conviction integrity unit.

(d) Opioid litigation.

(e) Hate crimes unit and domestic terrorism unit.

(f) Payroll fraud enforcement unit.

(g) PFAS contamination. As used in this subdivision, "PFAS" means perfluoroalkyl and polyfluoroalkyl substances.

(h) Human trafficking.

(i) Robocall enforcement.

(j) Job court.

(k) Organized retail crime unit.

(*l*) Reducing utility rate increases.

(m) Boy Scouts of America investigation.

(n) Address confidentiality program.

(2) For each expenditure required to be reported under subsection (1), the report must include the dollar amount spent by fund source.

(3) For each initiative listed under subsection (1), the department of attorney general shall provide a summary of activities, staffing levels, and outcomes as practicable.

Sec. 324. (1) Not later than September 30, the department of attorney general must make available to the public on its website a report on the activities and findings, since April 1, 2019, of the payroll fraud enforcement unit. The report must include all of the following:

(a) A list of each complaint received by the unit.

(b) For each complaint listed under subdivision (a), whether the attorney general took enforcement action on the complaint and, if applicable, a description of the enforcement action.

(2) If the payroll fraud enforcement unit requests that another department or agency investigate the validity of a report received by the unit, or if the unit refers a complaint to another department or agency, the department of attorney general shall request the department or agency to report back on the department's or agency's findings to enable the department of attorney general to comply with this section.

DEPARTMENT OF CIVIL RIGHTS

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

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $375,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend not more than $600,000.00 in funds from local sources, private sources, or both, for all of the following purposes:

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

(b) Publishing and selling civil rights related informational material.

(c) Providing copies of material made available in response to requests under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(d) Paying other copy fees, subpoena fees, and witness fees.

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

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

(g) Paying staffing costs for all activities included in this subsection.

(2) Not later than November 30, the department of civil rights shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the amount of funds received and expended for purposes authorized under this section.

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

(2) Not later than November 30, the department of civil rights shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the amount of funds received and expended for purposes authorized under this section.

Sec. 404. The department of civil rights shall submit quarterly reports to the standard report recipients that include, but are not limited to, all of the following information for the immediately preceding fiscal quarter:

(a) The number of all complaints received by the department by basis of complaint.

(b) The number of certified complaint cases initiated by basis of complaint.

(c) The number of certified complaint cases completed.

(d) The final disposition of certified complaint case investigations.

(e) The average number of days for a case to be completed after certification.

(f) The number of FTE positions filled from the FTE authorization for complaint investigations and enforcement.

(g) The number of open cases that have been open for more than 1 year.

(h) The quotient of the number of certified cases completed divided by the number of filled FTE positions.

(i) A listing of amounts awarded to claimants.

Sec. 405. On submitting a report or complaint to the United States Commission on Civil Rights or any other federal department, the department of civil rights shall submit a copy of the report or complaint to the standard report recipients not later than the next business day.

Sec. 406. From the funds appropriated in part 1, not later than November 30, the department of civil rights shall submit a report to the standard report recipients on the Native American boarding school study if the final report described in section 421 of article 5 of 2022 PA 166 has not been published before that date. The report must include all of the following:

(a) Information on the activities conducted for the study by the department of civil rights and any contracted university or entity.

(b) Total expenditures to date.

(c) The estimated date for publication of the final report.

Sec. 410. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are $2,656,800.00. From this amount, total department of civil rights appropriations for pension-related legacy costs are estimated at $2,396,300.00. Total department of civil rights appropriations for retiree health care legacy costs are estimated at $260,500.00.

LEGISLATURE

Sec. 600. The senate, the house of representatives, or an entity 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 must 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 must 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, must 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 Binsfeld Office Building.

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

(2) The Michigan state capitol commission may collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees are appropriated on receipt and must be allocated by the Michigan state capitol commission.

(3) As used in this section, "Michigan state capitol commission" means the Michigan state capitol commission established in the Michigan state capitol historic site act, 2013 PA 240, MCL 4.1945.

Sec. 605. The unexpended funds appropriated in part 1 for the legislative council are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 publication of the Michigan manual.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $3,000,000.00.

(d) The tentative completion date is September 30, 2030.

Sec. 606. The unexpended funds appropriated in part 1 for property management are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 purchase equipment and services for building maintenance to ensure a safe and productive work environment.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
(c) The total estimated cost of the project is $2,000,000.00.
(d) The tentative completion date is September 30, 2030.

Sec. 607. The unexpended funds appropriated in part 1 for automated data processing are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 purchase equipment, software, and services to support and implement data processing requirements and technology improvements.
(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
(c) The total estimated cost of the project is $3,000,000.00.
(d) The tentative completion date is September 30, 2030.

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, 2026 do not lapse at the close of the fiscal year, and must be carried forward for expenditure in the following fiscal years.

Sec. 611. (1) From the funds appropriated in part 1 for senate, $250,000.00 must be allocated for an internship program.
(2) From the funds appropriated in part 1 for house of representatives, $250,000.00 must be allocated for an internship program.

Sec. 612. It is the intent of the legislature that, from the funds appropriated in part 1, the Michigan state capitol commission established in section 5 of the Michigan state capitol historic site act, 2013 PA 240, MCL 4.1945, ensure that the Capitol Building is open for not less than 3 hours on Saturdays that are not state holidays.

Sec. 615. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $18,218,100.00. From this amount, total legislature appropriations for pension-related legacy costs are estimated at $16,431,700.00. Total legislature appropriations for retiree health care legacy costs are estimated at $1,786,400.00.

LEGISLATIVE AUDITOR GENERAL

Sec. 620. In accordance with section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the executive, judicial, and legislative branches.

Sec. 621. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, accounting firms owned and operated by persons with disabilities, and accounting firms that are geographically disadvantaged business enterprises 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) If the auditor general contracts with a firm to perform audits of the principal executive departments and state agencies, the auditor general shall strongly encourage the firm to subcontract with certified minority- and women-owned and operated accounting firms, accounting firms owned and operated by persons with disabilities, and accounting firms that are geographically disadvantaged business enterprises.
(3) Not later than November 1, the auditor general shall submit a report to the standard report recipients regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, accounting firms owned and operated by persons with disabilities, and accounting firms that are geographically disadvantaged business enterprises.

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 must 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 must include an estimate of the additional costs involved and, if those costs exceed $50,000.00, must provide supplemental funding. The auditor general shall determine whether to perform those activities in accordance with Operations Manual Policy No. 2-26.

Sec. 625. A branch, department, office, board, commission, agency, authority, or institution of this state shall not deny the auditor general access to examine its confidential information. The auditor general is subject to the same duty of confidentiality imposed by law on the entity providing the confidential information.

Sec. 627. The unexpended funds appropriated in part 1 for field operations are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 conduct the state of Michigan annual comprehensive financial report.

(b) The project will be accomplished by utilizing state employees and contract audits.

(c) The total estimated cost of the project is $3,000,000.00.

(d) The tentative completion date is September 30, 2030.

Sec. 628. On a quarterly basis, the auditor general shall submit a report to the standard report recipients, the chairpersons of the senate and house of representatives appropriations committees, and the senate and house of representatives oversight committees that includes all of the following information related to projects initiated during the immediately preceding quarter:

(a) Audit title.

(b) Audit type.

(c) Audit period.

(d) Audit objectives.

(e) Branch of government being audited.

(f) Whether the auditor general or a contracted auditor is conducting the audit and, if a contracted auditor is conducting the audit, the identity of the contracted auditor.

(g) Details regarding the reason for initiating the audit, including whether it was discretionary or required by statute.

(h) Details regarding any similar audit the auditor general has completed in the past.

(i) Estimated time frame for completion of the audit.

(j) Estimated total auditor general resources necessary to complete the audit and release a report.

Sec. 629. On a quarterly basis, the auditor general shall submit a report to the standard report recipients, the chairpersons of the senate and house of representatives appropriations committees, and the senate and house of representatives oversight committees that includes all of the following information for each project in progress during the immediately preceding quarter:

(a) Audit title.

(b) Date the audit was initiated.

(c) Audit status.

(d) Estimated time frame for completion of the audit.

(e) Details regarding the resources spent on the audit to date.

(f) Estimated total auditor general resources necessary to complete the audit and release a report.

Sec. 630. On a quarterly basis, the auditor general shall submit a report to the standard report recipients, the chairpersons of the senate and house of representatives appropriations committees, and the senate and house of representatives oversight committees that contains all of the following information for each project completed during the immediately preceding quarter:

(a) Audit title.

(b) Date the audit was initiated.

(c) Date the audit report was released.

(d) Results of the audit, including the number and type of findings.

(e) Details regarding total auditor general resources spent on the audit.

(f) To the extent authorized by law, details regarding any inquiry, tip, or request related to the audit that the auditor general received before initiating the audit.

Sec. 631. The auditor general shall conduct an audit of the procedures used by the secretary of state to maintain and update the voter rolls in accordance with the generally accepted government auditing standards. The audit must be completed not later than September 15, 2026.

DEPARTMENT OF STATE

Sec. 701. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,500,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 703. From the funds appropriated in part 1, the MDOS shall submit quarterly reports on record lookup fees to the standard report recipients. Each report must include the number of records sold and the revenues collected 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.

Sec. 705. (1) The MDOS 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 approval of the MDOS, for inclusion in the publication. The MDOS may reject a gift, donation, contribution, or grant. The MDOS may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

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

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

(5) If the MDOS receives a gift, contribution, donation, or grant of money as authorized under section 705 of article 5 of 2024 PA 121, not later than March 1, the MDOS shall submit a report to the standard report recipients that includes all of the following information for the immediately preceding fiscal year:

(a) The amount of gifts, contributions, donations, and grants of money received by the MDOS under section 705 of article 5 of 2024 PA 121.

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

(c) A list of any gift, donation, contribution, or grant of property other than funding received by the MDOS under section 705 of article 5 of 2024 PA 121.

(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 MDOS 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 must be credited to the Michigan department of state publications fund created in section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211.

Sec. 707. Funds collected by the MDOS 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 described in section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds are allocated for expenditure when they are received by the department of treasury and do not lapse to the general fund at the end of the fiscal year.

Sec. 708. From the funds appropriated in part 1, the MDOS shall use available balances at the end of the state fiscal year to provide payment to the MDSP in the amount of $332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 709. From the funds appropriated in part 1, the MDOS may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. The restricted amount must not exceed $50,000.00 of the total funds available in miscellaneous revenue.

Sec. 710. The MDOS shall delegate all responsibility for the procurement, development, and maintenance of all information technology services and products to the MDTMB unless otherwise delegated the responsibility by law in an effort to streamline the procurement process and to ensure compliance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 711. Collector plate and fund-raising registration plate revenues collected by the MDOS are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions must occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year do not lapse to the general fund and remain available for distribution to the university or agency in the next fiscal year.

Sec. 713. (1) The MDOS, in collaboration with the Gift of Life Michigan or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

(2) The MDOS 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 MDOS 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, do not lapse to the general fund at the end of the fiscal year and remain available for expenditure for the purposes described in this section.

(4) Funding appropriated in part 1 for the organ donor program must be used to produce a pamphlet regarding organ donations and to distribute the pamphlet with driver licenses and personal identification cards. The pamphlet must do both of the following:

(a) Explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(b) Include a return reply form addressed to the gift of life organization.

(5) Funding appropriated in part 1 for the organ donor program must be used to pay for return postage costs of the return reply form described in subsection (4)(b).

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

(7) Not later than March 1, the department shall submit a report to the standard report recipients. The report must include all of the following:

(a) The amount of revenue collected by the MDOS under this section.

(b) The purpose of each expenditure.

(c) The amount of revenue carried forward.

Sec. 714. (1) Except as otherwise provided under subsection (2), not less than 180 days before closing a branch office or consolidating a branch office and not less than 60 days before relocating a branch office, the MDOS shall submit a report to the standard report recipients, the members of the senate and house of representatives standing committees on appropriations, and legislators who represent affected areas. The report must include all of the following:

(a) All analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, all of the following:

(*i*) Branch transactions.

(*ii*) Revenue.

(*iii*) The impact on citizens of the affected area, including information regarding additional distance to branch office locations resulting from the changes.

(b) Detailed estimates of costs and savings that will result from the overall changes made to the branch office structure.

(c) Detailed estimates of costs for new leased facilities and expansions of current leased space.

(2) If the consolidation of a branch office is with another branch office that is located within the same local unit of government or the relocation of a branch office is to another location that is located within the same local unit of government, the MDOS is not required to submit a report under subsection (1).

(3) As used in this section, "local unit of government" means a city, village, township, or county.

Sec. 715. (1) Any service assessment collected by the MDOS from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, may be used by the MDOS for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution.

(2) The service assessment imposed by the MDOS for credit and debit card services may be based on a percentage of each individual credit or debit card transaction or 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 that exceeds the costs billable to the MDOS for the service assessment.

(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 costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 716. From the funds appropriated in part 1 for branch operations, the department of state shall provide adequate in-person services as defined in section 1a of the Michigan vehicle code, 1949 PA 300, MCL 257.1a.

Sec. 717. (1) The MDOS may accept gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The MDOS may recognize a private or public contributor for making the contribution. The MDOS may reject a gift, donation, or contribution. Any revenues received under this subsection may be expended for the departmental functions relating to licensing, regulation, or safety.

(2) The MDOS shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned on a commitment of future state funding.

(3) If the MDOS receives a gift, donation, or contribution of property as authorized under this section, not later than March 1, the MDOS shall submit a report to the standard report recipients. The report must include a list of each gift, donation, or contribution received by the department under subsection (1) for the immediately preceding calendar year.

Sec. 718. From the funds appropriated in part 1 for election regulation, all money must be spent in accordance with the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, and the instructions, orders, and guidance of the secretary of state regarding the proper method for the conduct and administration of elections.

Sec. 719. Not later than February 1, the MDOS shall submit a report to the standard report recipients on all funding allocated to counties, cities, and townships from funds appropriated in part 1 for election administration and services. The report must include the amount and purpose of each payment provided to a county, city, or township.

Sec. 720. Not later than February 1, the secretary of state shall submit a report to the standard report recipients that includes all of the following information:

(a) The total number of notices sent by the clerk under section 509aa(2) or (3) of the Michigan election law, 1954 PA 116, MCL 168.509aa, that were returned as undeliverable as described in section 509aa(4) of the Michigan election law, 1954 PA 116, MCL 168.509aa.

(b) The total number of electors to whom the secretary of state mailed a notice under section 509aa(5) of the Michigan election law, 1954 PA 116, MCL 168.509aa.

(c) The total number of each of the following:

(*i*) Electors who changed residence and moved out of state.

(*ii*) Electors who changed residence and moved in state.

(*iii*) In-state duplicate voter registration records.

(*iv*) Electors who are determined to be deceased.

(d) The total number of electors who corrected their voter registration records after being mailed a notice by the secretary of state under section 509aa(5) of the Michigan election law, 1954 PA 116, MCL 168.509aa.

(e) The number of possible improper votes cast by an elector at the preceding primary election referred to law enforcement by the secretary of state.

(f) The number of possible improper votes cast by an elector at the immediately preceding general election referred to law enforcement by the secretary of state.

Sec. 724. The MDOS shall reimburse a county, city, or township for allowable expenses not later than 60 days after the MDOS receives a bill for allowable expenses and all necessary documentation from the county, city, or township.

Sec. 725. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $18,648,000.00. From this amount, total department of state appropriations for pension-related legacy costs are estimated at $16,819,300.00. Total department of state appropriations for retiree health care legacy costs are estimated at $1,828,700.00.

Sec. 728. The MDOS shall conduct systematic reviews of the qualified voter file by comparing information in the qualified voter file to the MDOS's driver and identification data. The MDOS shall ensure that a notification is sent to individuals whose voter registration status is in question to verify information before the individual's voter registration is cancelled. The MDOS shall report on various activities of the systematic reviews.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $50,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 802. Any proceeds that exceed necessary costs incurred in conducting transfers, auctions, direct sales, or scrapping of state surplus property under section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the MDTMB to offset any costs incurred in the acquisition and distribution of surplus property. The MDTMB shall provide consolidated internet auction services through this state's contractors for all local units of government.

Sec. 803. (1) The MDTMB 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 MDTMB.

(2) The MDTMB may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, engineering, and project oversight services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, universities, community colleges, or private tenants.

(3) The MDTMB 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 MDTMB 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.

(5) Any revenue collected by the MDTMB from user fees under subsections (1) to (4) must be carried forward and does not lapse to the general fund at the close of the fiscal year.

Sec. 805. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the MDTMB appropriations financed from special revenue and internal service and pension trust funds, or SIGMA 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. 807. Funding in part 1 for SIGMA must be funded by proportionate charges assessed against the respective state funds benefiting from the SIGMA project in the amounts determined by MDTMB.

Sec. 808. (1) A deposit against the IDG from building occupancy and parking charges appropriated in part 1 must 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 MDTMB. To the extent excess revenue is collected due to estimates of building occupancy charges exceeding actual costs, the excess revenue may be carried forward into subsequent fiscal years for the purpose of returning funds to state agencies.

(2) An appropriation in part 1 for building occupancy and parking charges may be increased to return excess revenue collected to state agencies.

Sec. 809. On a biannual basis, the MDTMB shall submit a report to the standard report recipients on any revisions either individually or in the aggregate that increase or decrease current contracts by more than $250,000.00 for computer software development, hardware acquisition, or quality assurance.

Sec. 810. (1) From the funds appropriated in part 1, the MDTMB shall maintain an internet website that contains notice of all solicitations, invitations for bids, and requests for proposals over $50,000.00 that are issued by the MDTMB or by any state agency operating under delegated authority, except for solicitations up to $500,000.00 in accordance with the MDTMB policy regarding providing opportunities to Michigan small businesses, geographically disadvantaged business enterprises, Michigan veteran-owned business, Michigan service disabled veteran-owned businesses, or Michigan recognized community rehabilitation organizations, or if the MDTMB determines and documents that it is in the best interest of this state. This information must appear on the first page of each department or state agency dashboard.

(2) The MDTMB shall set the due date for acceptance of an invitation for bid or request for proposal to not less than 14 days after the notice is made available on the internet website described in subsection (1), unless the MDTMB determines and documents that a different due date is in the best interest of this state.

(3) In addition to the requirements of this section, the MDTMB may advertise the solicitations, invitations for bids, and requests for proposals in any manner that the MDTMB determines is appropriate to give the greatest number of persons the opportunity to respond or make bids or requests for proposals.

(4) A new request for a proposal that is publicly displayed on the internet website must include the proposal's corresponding department or agency. The internet website must allow for the searching of requests for proposals by department or agency.

Sec. 811. From the funds appropriated in part 1, the MDTMB shall maintain a system that interfaces with other departments and agencies to track the performance of vendors in fulfilling contract obligations. The performance of these vendors must be recorded and used as a factor to determine future contracts awarded in the procurement process.

Sec. 812. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $51,306,300.00. From this amount, total MDTMB appropriations for pension-related legacy costs are estimated at $46,275,100.00. Total MDTMB appropriations for retiree health care legacy costs are estimated at $5,031,200.00.

Sec. 813. (1) Funds in part 1 for motor vehicle fleet are appropriated to the MDTMB for administration and the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The funds described in subsection (1) must be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the MDTMB. Any 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) The MDTMB shall, not later than 90 days after the close of the fiscal year, submit an annual report to the standard report recipients regarding the operation of the motor vehicle fleet. The report must include all of the following:

(a) The number of vehicles assigned to, or authorized for use by, state departments and agencies.

(b) The number of vehicles in the motor vehicle fleet.

(c) The number of miles driven by fleet vehicles.

(d) The number of gallons of fuel consumed by fleet vehicles.

(e) A description of fleet garage operations.

(f) The goods sold and services provided by the fleet garage.

(g) The number of employees assigned to each fleet garage.

(4) The information provided under subsection (3) 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.

(5) The MDTMB may charge state agencies for fuel cost increases that exceed 10% of the budgeted price per gallon of motor vehicle fuels. The MDTMB shall notify state agencies, in writing or by email, not less than 30 days before implementing additional charges for fuel cost increases. Any revenue received from these charges is appropriated on receipt.

(6) The state budget director, on notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and the IDG from motor transport fund in the MDTMB to ensure that the appropriations for motor vehicle fleet in the MDTMB budget equal the expenditures for motor vehicle fleet in the budgets for all executive branch agencies.

Sec. 815. The MDTMB shall report quarterly to the standard report recipients on expenditures of funds appropriated in 2021 PA 87 for legal services funding and carried forward under work project account number 17458, titled "legal services". The report must itemize expenditures by case, purpose, and department involved and must include expenditures related to all previously appropriated funds.

Sec. 816. From the funds appropriated in part 1, the office of the state employer shall work with all state departments and agencies to set requirements on in-person work and utilization of state buildings to ensure in-person work completed by state of Michigan nonfield employees is optimized and the occupancy rate of state-owned or occupied buildings, subject to market conditions, is 80% or higher.

Sec. 820. The MDTMB shall post on its website and make available to the public a list of all parcels of real property owned by this state that are available for purchase.

Sec. 821. (1) From the funds appropriated in part 1, the office of retirement services within the MDTMB shall prepare a report by September 30 on the judges' retirement system, the military retirement system, the Michigan public school employees' retirement system, the state employees' retirement system, and the state police retirement system. The report must be submitted to the standard report recipients.

(2) The report must include, but is not limited to, all of the following information for each of the retirement systems described in subsection (1):

(a) A chart and table that details annual required contribution flow per year for fiscal year 2024-2025 and the subsequent 24 fiscal years.

(b) Separate annual required contribution payment charts and tables for pension and other postemployment benefits.

(c) Separate annual required contribution payment charts and tables for the current annualized rate of return, an annualized rate of return 50 basis points less than the current annualized rate of return, and an annualized rate of return 100 basis points less than the current annualized rate of return.

(d) Separate annual required contribution payment charts and tables by normal cost and unfunded actuarial accrued liability.

(e) A justification if the payroll growth assumption is maintained at or above 0% for any pension or OPEB plan. The report must include an analysis of active employee plan member forecasts.

(3) The report must include the following items specific to the Michigan public school employees' retirement system:

(a) A copy of the retirement plan election guide that is provided to new Michigan public school employees' retirement system hires as of the due date of the report.

(b) The number of new Michigan public school employees' retirement system employees who entered the defined contribution plan and pension plus II plan not later than 14 days after the end of the current fiscal year.

(c) An explanation of how the retirement plan election guide explains that pension plus II members must pay 50% of any future unfunded actuarial accrued liability payments.

(d) An explanation of how the retirement plan election guide explains that defined contribution plan members have annuity options that allow for guaranteed retirement income available through a private insurance company.

(e) If any calculations are provided to plan members for expected retirement income, then the following items must be included:

(*i*) An explanation of how the retirement plan election guide demonstrates a range of potential outcomes.

(*ii*) The underlying assumptions the retirement plan election guide uses to calculate expected future retirement income.

(*iii*) How underlying assumptions are disclosed in the guide.

(4) The report must include the amount of money that each school district received, on a per pupil basis, in foundation allowances that was spent on Michigan public school employees' retirement system costs in the immediately preceding fiscal year.

(5) The office of retirement services must post the most recent year's comprehensive annual financial report for each plan described in subsection (1) not later than 90 days after the end of the fiscal year.

Sec. 822. Not later than January 1, the MDTMB shall submit a report to the standard report recipients related to the salaries of unclassified employees and gubernatorial appointees within all state departments and agencies. The report must enumerate each unclassified employee and gubernatorial appointee and the employee's or appointee's annual salary rounded to the nearest thousand dollars.

Sec. 822c. The funds appropriated in part 1 must not be used to support any staff effort, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the Gordie Howe International Crossing or any successor project unless the approval of the project is enacted into law.

Sec. 822d. Not later than December 31, the MDTMB shall submit a report to the standard report recipients that includes all of the following:

(a) The fee and rate schedules to be used by state departments and agencies for services, including information technology, provided by the MDTMB during the current fiscal year.

(b) The changes from fees and rates charged in the immediately preceding fiscal year.

(c) An explanation of the factors that justify each fee and rate increase described in subdivision (b).

Sec. 822e. (1) In addition to the funds appropriated in part 1, the funds collected by the MDTMB for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next fiscal year.

(2) Not later than March 1, the MDTMB shall submit a report to the standard report recipients that provides the amount of revenue collected by the MDTMB from the authorization in subsection (1) and the amount of revenue carried forward.

Sec. 822g. From the funds appropriated in part 1 for business support services, not more than an additional $200,000.00 may be used to continue a comprehensive supplier risk and information subscription used for the precontract risk assessment program.

Sec. 822h. (1) From the funds in part 1 for capital city services, the MDTMB shall provide reimbursements to the city of Lansing to provide support for local infrastructure and municipal services, including, but not limited to, maintenance or improvement of local roads, sidewalks, public utility infrastructure, emergency response, traffic management, or other public safety services that support the state capitol and adjacent state facilities.

(2) The MDTMB shall reimburse the city described in subsection (1) quarterly for eligible expenses if the city of Lansing provides supporting documentation related to the eligible expenses to the MDTMB and the eligible expenses are approved for reimbursement.

(3) The city of Lansing shall maintain and provide any supporting documentation that is requested for auditing purposes.

Sec. 822j. (1) The make it in Michigan competitiveness fund is created within the state treasury.

(2) Funds may be spent from the make it in Michigan competitiveness fund only on appropriation or administrative transfer pursuant to subsection (3).

(3) A transfer of funds from federal or state restricted contingency funds into make it in Michigan may be made by the state budget director not less than 30 days after notifying each member of the senate and house of representatives appropriations committees. Those transfers may be disapproved by either appropriations committee within the 30 days and, if disapproved within that time, are not effective.

(4) A transfer approved under this section constitutes authorization to transfer the amount recommended and approved. However, the amount must be reduced by the state budget director to be within the current unobligated amount of the appropriation.

(5) Transfers must not be authorized under any of the following circumstances:

(a) To create a new line-item appropriation or to create a new state program.

(b) To or from an operating appropriation line item that did not appear in the fiscal year appropriation bills for which the transfer is being made.

(c) To or from a work project as designated under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

(d) Between state governmental funds.

(6) Interest and earnings from the investment of funds deposited in the make it in Michigan competitiveness fund must be deposited in the general fund.

(7) Funds in the make it in Michigan competitiveness fund at the close of a fiscal year remain in the make it in Michigan competitiveness fund and do not lapse to the general fund.

(8) Funds appropriated or transferred from the make it in Michigan competitiveness fund are available to leverage federal funding opportunities that include, but are not limited to, infrastructure, health, public safety, mobility and electrification, climate and the environment, economic development, or other funding opportunities administered by the federal government. Funding opportunities may be in the form of formula or competitive-based grants, cooperative agreements, or contracts, and may include funds contained in the infrastructure investment and jobs act, Public Law 117-58, the CHIPS act of 2022, division A of Public Law 117-167, the inflation reduction act of 2022, Public Law 117-169, or any other federal acts.

(9) The Michigan infrastructure office, in collaboration with the state budget director, shall form an interagency evaluation committee that includes the department of environment, Great Lakes, and energy, the MDLEO, the MDOT, the MSF, or other entities at the discretion of the Michigan infrastructure office, to develop program guidelines and selection criteria for the recommended appropriation or transfer of funds. The interagency evaluation committee shall make recommendations to the director of the MDTMB and the state budget director on the disbursement of funds. Funding must also be used to cover all costs related to the administration of this section.

(10) The MDTMB shall inform the legislature not later than 30 days after any federal funds are received that would be used as the basis for recommended appropriations or transfers from the make it in Michigan competitiveness fund.

(11) Not later than 90 days after the close of each fiscal year, the MDTMB shall report to the legislature on the projects funded with make it in Michigan competitiveness fund money.

MEMORIALS

Sec. 822k. The MDTMB may receive and expend funds from the Vietnam veterans memorial monument fund in accordance with the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. The funds are appropriated and allocated when received by the MDTMB and may be expended on receipt.

Sec. 822*l*. 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. The funds are appropriated and allocated when received by the Michigan veterans' memorial park commission and may be expended on receipt. Any deposit made under this section and any unencumbered funds are restricted revenues and may be carried over into subsequent fiscal years.

Sec. 822m. In addition to the funds appropriated in part 1, the MDTMB may receive and expend money from the Michigan law enforcement officers memorial monument fund in accordance with the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.786. Any deposit made into the fund is restricted revenues and must be carried over into succeeding fiscal years.

INFORMATION TECHNOLOGY

Sec. 824. The MDTMB may enter into agreements to provide spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The MDTMB 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 MDTMB may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services.

Sec. 825. (1) The legislature shall have access to all historical and current data contained within SIGMA, or its predecessor, pertaining to state departments.

(2) State departments shall have access to all historical and current data contained within SIGMA or its predecessor.

Sec. 826. As used in this part and part 1, "information technology services" means services that involve all aspects of managing and processing information, including, but not limited to, all of the following:

(a) Application and mobile development and maintenance.

(b) Desktop computer support and management.

(c) Cybersecurity.

(d) Social media.

(e) Mainframe computer support and management.

(f) Cloud services support and management, including, but not limited to, infrastructure as a service, platform as a service, and software as a service.

(g) Local area network support and management, including, but not limited to, wired and wireless network build-out, support, and management.

(h) Information technology project management.

(i) Information technology procurement and contract management.

(j) Telecommunication services, security, infrastructure, and support.

(k) Server support and management.

(*l*) Information technology planning and budget management.

Sec. 827. (1) The MDTMB shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees and deposit the fees in the Michigan public safety communications systems fees fund.

(2) All money received by the MDTMB under this section must be expended for the support and maintenance of the Michigan public safety communications system.

(3) Any deposits made under this section and unencumbered funds are restricted revenues and must be carried forward into succeeding fiscal years.

(4) The MDTMB shall prepare a report that indicates the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communication system for the immediately preceding 6-month period. The report must be submitted to the standard report recipients not later than April 15.

Sec. 828. Not later than 45 days after the end of the current fiscal year, the MDTMB shall submit a report to the standard report recipients that includes both of the following:

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

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

Sec. 829. The MDTMB shall prepare a report that analyzes and makes recommendations on the life cycle of information technology hardware and software. The report must be submitted to the standard report recipients not later than March 1.

Sec. 830. (1) Any revenue collected from licenses issued under the antenna site management project shall be deposited in the antenna site management revolving fund created for this purpose in the MDTMB. The MDTMB may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year must be proportionately transferred to the appropriate state restricted funds as designated in a PA or the state constitution of 1963.

(2) An antenna must not be placed on any site under this section without complying with the respective local zoning codes and local unit of government processes.

Sec. 831. If the MDTMB provides information technology services to a department or agency directly, the MDTMB shall submit a monthly invoice to the department or agency for the information technology services provided. If the MDTMB provides information technology services to a department or agency through a contracted vendor, the MDTMB shall submit an invoice to the department or agency not later than 60 days after the MDTMB receives approval to pay the vendor invoice.

Sec. 832. (1) The MDTMB shall inform the senate and house of representatives appropriations subcommittees on general government and the senate and house fiscal agencies not later than 30 days after learning of the proposal of a potential penalty proposed or the assessment of an actual penalty assessed by the federal government for failure of the Michigan child support enforcement system to achieve certification by the federal government.

(2) If a potential penalty is proposed by the federal government, the MDTMB shall submit a report to the standard report recipients not later than 90 days after the date the potential penalty is proposed specifying the MDTMB's plans to avoid the assessment of an actual penalty and ensure federal certification of the Michigan child support enforcement system.

Sec. 833. (1) The state budget director, on notification to the standard report recipients and the senate and house of representatives standing committees on appropriations, may adjust spending authorization and user fees in the MDTMB to ensure that the appropriations for information technology in the MDTMB equal the appropriations for information technology in the budgets for all executive branch agencies.

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

Sec. 834. (1) The MDTMB shall not contract with a vendor for a commercial-off-the-shelf product if the potential vendor would need to make significant customized changes to meet the requirements and specifications of the applicable department or agency work procured under the contract.

(2) As used in this section, "commercial-off-the-shelf product" means a software product that is commercially ready-made and available for sale, lease, or license to the general public.

Sec. 835. The MDTMB shall provide a report to the standard report recipients on all new contracts for software development services that have a value greater than $10,000,000.00 or that are effective for a period longer than 3 years. The report must be submitted not later than January 15 and must cover the immediately preceding 12 months.

Sec. 836. The MDTMB and a sponsoring department or agency shall submit to each technology vendor on the project and to the standard report recipients all reports from independent verification and validation services in accordance with the reporting schedule or frequency established in the contract for the service.

Sec. 837. All information technology projects funded by appropriations in part 1 must do both of the following:

(a) Use information technology project management best practices and services as defined or recommended by the enterprise portfolio management office of the MDTMB.

(b) Comply with the requirements of the state unified information technology environment methodology as it applies to all information technology project management processes.

Sec. 838. (1) The funds appropriated in part 1 for information technology investment fund must be used for the modernization of state information technology systems, improvement of this state's cybersecurity framework, and to achieve efficiencies.

(2) The MDTMB shall develop a plan regarding the use of the funds appropriated in part 1 for the information technology investment fund.

(3) The plan described in subsection (2) must include all of the following:

(a) A description of proposed information technology investment projects.

(b) The time frame for completion of the information technology investment projects.

(c) The initial budgeted amount for each project.

(d) The number of employees assigned to implement each information technology investment project.

(e) The contracts entered into for each information technology investment project.

(f) Any other information the MDTMB considers necessary.

(4) The MDTMB shall submit a report to the standard report recipients that includes the plan and the anticipated spending reductions or overages for each of the proposed information technology investment projects. The report must also include both of the following:

(a) A comparison of the initial budgeted amounts and cumulative costs, both by project and in total for all projects.

(b) The amount of any transfer of budgeted funds from 1 project to another.

Sec. 839. In addition to the appropriations for information technology investment fund in part 1, there is appropriated related federal and state restricted funds up to the amounts that will be earned based on the initiatives undertaken with the funds in part 1. The state budget director shall determine and authorize the appropriate manner for implementing this section.

Sec. 840. From the funds appropriated in part 1, a state department or agency shall not issue an RFP for a contract for information technology software development unless the RFP includes a clear statement of objective that is not longer than 5 pages and that communicates all essential operational requirements of the contracted service.

STATE BUILDING AUTHORITY RENT

Sec. 842. (1) Funds appropriated in part 1 for state building authority rent may, in addition to this purpose, 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 the applicable 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 this state the amount necessary to pay the obligations.

OFFICE OF THE STATE EMPLOYER

Sec. 843. (1) The funds appropriated in part 1 for statewide appropriations must be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the MDTMB. The funds must be used as specified in joint labor/management agreements, or through the coordinated compensation hearings process. Any deposits of assessments 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 MDTMB may receive and expend funds in the additional amounts 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. 844. In addition to the funds appropriated in part 1, the MDTMB may receive and expend funds from other principal executive departments and state agencies to implement administrative leave bank transfer provisions specified in joint labor/management agreements. The funds may also be transferred to other principal executive departments and state agencies under the joint labor/management agreement and any amounts transferred under the joint labor/management agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any funds received by the MDTMB 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 next fiscal year.

CIVIL SERVICE COMMISSION

Sec. 850. (1) In accordance with section 5 of article XI of the state constitution of 1963, all restricted funds must be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for the preceding fiscal year. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. The civil service commission shall return any unexpended funds appropriated under this subsection to each 1% fund source not later than 6 months after the end of the fiscal year.

(2) The appropriations in part 1 are estimates of actual charges based on payroll appropriations. With the approval of the state budget director, the civil service commission may adjust financing sources for civil service charges based on actual payroll expenditures, if the adjustments do not increase the total appropriation for the civil service commission.

(3) The financing from restricted sources must be credited to the civil service commission by the end of the second fiscal quarter.

Sec. 851. Except where specifically appropriated for this purpose, financing from restricted sources must be credited to the civil service commission. 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 must be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority must be utilized to satisfy civil service commission operating deductions first and civil service commission obligations second. General fund dollars are appropriated for any shortfall, if approved by the state budget director.

Sec. 852. The appropriation in part 1 to the civil service commission, 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 civil service commission. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program must be made from assessments levied during the fiscal year in a manner prescribed by the civil service commission. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, and any remaining balance of unspent employee contributions lapses to the general fund.

Sec. 853. From the funds appropriated in part 1, the Michigan civil service commission shall continue to work toward completing its review of current employee classifications and educational requirements necessary for employment. On completion of the review, the commission, where possible, shall substitute relevant experience for the default educational requirement of a bachelor's degree.

CAPITAL OUTLAY

Sec. 860. As used in sections 861 through 875 of this part:

(a) "Board" means the state administrative board created in section 1 of 1921 PA 2, MCL 17.1.

(b) "Community college" means a community college organized under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, and does not include a state agency or university.

(c) "Director" means the director of the MDTMB.

(d) "State agency" means an agency of state government. State agency does not include a community college or university.

(e) "State building authority" means the authority created in section 2 of 1964 PA 183, MCL 830.412.

(f) "University" means a 4-year university supported by this state. University does not include a community college or a state agency.

Sec. 861. Each capital outlay project authorized in this part and part 1 or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 862. (1) The MDTMB shall submit a report to the standard report recipients and the JCOS on the status of each planning or construction project financed by the state building authority, this part and part 1, or a previous PA.

(2) Before the end of the fiscal year, the MDTMB shall submit a report to the standard report recipients and the JCOS for each capital outlay project other than lump sums that includes all of the following:

(a) The account number and name of each construction project.

(b) The balance remaining in each account.

(c) The date of the last expenditure from the account.

(d) The anticipated date of occupancy if the project is under construction.

(e) The appropriations history for the project.

(f) The professional service contractor.

(g) The amount of the project financed with federal funds.

(h) The amount of the project financed through the state building authority.

(i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of the fiscal year, the MDTMB shall submit a report to the standard report recipients and the JCOS on all of the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

(a) The name of the project and account number.

(b) Whether a program statement is approved.

(c) Whether schematics are approved by the MDTMB.

(d) Whether preliminary plans are approved by the MDTMB.

(e) The name of the professional service contractor.

(4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 863. The MDTMB shall work with all state departments and agencies to evaluate their current office building and space usage to identify any projected changes for the current and next fiscal year. The MDTMB shall report the following information to the standard report recipients not later than May 1:

(a) Projected changes in state-owned property being utilized by each department and agency for the current and next fiscal year.

(b) Projected changes to leased property being utilized by each department and agency for the current and next fiscal year.

(c) A comparative analysis of 2022 occupancy levels to expected levels for the current and next fiscal year.

(d) All of the following information for the immediately preceding fiscal year:

(*i*) A list of expenditures related to space optimization as a result of remote work, including costs associated with divesting state-owned property and vacating leased facilities.

(*ii*) Net savings as a result of property divestment or vacated leased facilities.

(*iii*) A description of each divested property or location of each vacated leased facility.

Sec. 864. The appropriations in part 1 for capital outlay must be carried forward at the end of the fiscal year in accordance with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 865. (1) A site preparation economic development fund is created in the MDTMB. The MEDC board and the state budget director shall determine whether a specific state-owned site qualifies for inclusion in the site preparation economic development fund.

(2) Any proceeds from the sale of an economic development site must be deposited in the site preparation economic development fund and are available for site preparation expenditures, unless otherwise provided by law. The economic development sites are authorized for sale consistent with state law. Expenditures from the site preparation economic development fund are authorized for site preparation activities that enhance the marketable sale value of the economic development sites.

(3) A cash advance in an amount of not more than $25,000,000.00 is authorized from the general fund to the site preparation economic development fund.

(4) Not later than December 31, the MDTMB shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations that includes both of the following:

(a) The revenue and expenditure activity in the site preparation economic development fund for the immediately preceding fiscal year.

(b) The sites identified as economic development sites.

(5) As used in this section:

(a) "Economic development site" means a state-owned site that is declared as surplus property under section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, and would provide economic benefit to the area of the site or to this state.

(b) "Site preparation activities" includes, but is not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

Sec. 866. (1) The energy efficiency revolving fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the energy efficiency revolving fund. The state treasurer shall direct the investment of the energy efficiency revolving fund. The state treasurer shall credit to the energy efficiency revolving fund interest and earnings from energy efficiency revolving fund investments.

(2) Money in the energy efficiency revolving fund at the close of the fiscal year remains in the energy efficiency revolving fund and does not lapse to the general fund.

(3) The MDTMB shall provide oversight and direction for the energy efficiency revolving fund, coordinate a call for projects, and prioritize the award of projects that will contribute to a reduction in this state's carbon footprint. State administrative costs must be not more than 10% of the total project cost.

(4) The MDTMB shall set terms with agencies participating in the energy efficiency revolving fund program that include the scope of each project, funding commitments, data collection and reporting requirements, and any other financial terms related to realization of energy savings related to implementation of the project. The MDTMB may enter into a memorandum of understanding to memorialize these terms.

(5) Not later than February 1, the MDTMB shall submit a report to the standard report recipients on projects funded under this section in the immediately preceding fiscal year. The report must list each approved project, the amount provided from the energy efficiency revolving fund for each project, the department or agency under which the project belongs, anticipated annual savings from each project, and revenue from savings deposited into the energy efficiency revolving fund by project.

Sec. 867. In addition to the appropriations for special maintenance, remodeling, and additions for state agencies in part 1, there is appropriated related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with the funds in part 1. The state budget director shall determine and authorize the appropriate manner for implementing this section.

CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES

Sec. 873. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. The funding must be composed of local and state shares and not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college may be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this part and part 1 is authorized when the release of the appropriation is approved by the board on the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this part and part 1 and has matched the amounts appropriated as required by this part and part 1. A release of funds in part 1 must not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this part and part 1 or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, must be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This part and part 1 are applicable to all projects for which planning appropriations were made in previous PAs.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this part and part 1 if an application was not previously made. If there is a reasonable expectation that a previous year unfunded application may receive federal money in a subsequent year, the community college shall take whatever action necessary to keep the application active.

Sec. 874. If university and community college matching revenues are received in an amount less than the appropriations for capital projects contained in this part and part 1, the state funds must be reduced in proportion to the amount of matching revenue received.

Sec. 875. (1) The director may require that community colleges and universities that have an authorized project described in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or governing board approval of the authorized project, the director may terminate the authorization. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS approves an extension of the authorization.

ONE-TIME APPROPRIATIONS

Sec. 890. The unexpended funds appropriated in part 1 for election equipment reserve fund are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for projects under this section 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 support the purchase of election equipment for local units of government.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $5,000,000.00.

(d) The tentative completion date is September 30, 2030.

DEPARTMENT OF TREASURY
OPERATIONS

Sec. 901. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $500,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, mandatory and optional redemptions, 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 this state under sections 14, 15, or 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 authorized under 1967 PA 55, MCL 12.51 to 12.53.

(3) In addition to the amount appropriated to the department of treasury for debt service in part 1, all repayments received by this state on loans made from the school bond loan fund that the state treasurer determines are not required to be deposited in the school loan revolving fund under section 4 of 1961 PA 112, MCL 388.984, are appropriated to the department of treasury for the payment of debt service, including, but not limited to, optional and mandatory redemptions, on bonds, notes, or commercial paper issued by this state under 1961 PA 112, MCL 388.981 to 388.985.

Sec. 902a. As a condition of receiving the appropriations in part 1, not later than 30 days after a refunding or restructuring bond issue is sold, the department of treasury must submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations. The report must include all of the following:

(a) A comparison of the annual debt service before the refinancing or restructuring to the annual debt service after the refinancing or restructuring.

(b) The change in the principal and interest over the duration of the debt.

(c) The projected change in the present value of the debt service as a result of the refinancing and restructuring.

Sec. 902b. As a condition of receiving the appropriations in part 1, not later than 30 days after the state of Michigan comprehensive annual financial report under section 494 of the management and budget act, 1984 PA 431, MCL 18.1494, is published, the department of treasury shall submit a report to the standard report recipients on all funds that are controlled or administered by the department of treasury and not appropriated in part 1. The current and all previous reports prepared as required under this section must be saved and made available on the department of treasury's public website and stored in a common location with all other reports that the department of treasury is required by law to prepare. The link to the location of the reports must be clearly indicated on the main page of the department of treasury's internet website. The report must include all of the following information for each fund for the immediately preceding fiscal year:

(a) The starting balance.

(b) Total revenue generated by transfers in and investments.

(c) Total expenditures.

(d) The ending balance.

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with law firms or private collection agencies to collect taxes and other accounts due this state or due a city for which the department of treasury has entered into an agreement to provide tax administration services. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund the cost of these collections, including infrastructure costs. The additional amounts appropriated under this subsection must not exceed 25% of the collections or 2.5% plus operating costs, as applicable. Each contract must prescribe the applicable amount. The amounts appropriated to fund collection costs and fees under this subsection are appropriated from the fund or account to which the corresponding taxes and other accounts being collected are recorded or dedicated. However, if the taxes and other accounts collected are dedicated for a specific purpose under the state constitution of 1963, the amounts appropriated under this subsection are appropriated from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with law firms or private collections agencies 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 24.34% of the collection or a lesser amount as prescribed by the contract. The amounts appropriated under this subsection are appropriated from the fund or account to which the revenues being collected are recorded or dedicated.

(3) By November 30, the department of treasury shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations. The report must include all of the following information for the immediately preceding fiscal year:

(a) The name of each law firm and each private collection agency that the department of treasury contracted with under subsection (1) or (2).

(b) The amount collected under each contract.

(c) The costs of collection under each contract.

(d) Any other information that is pertinent to determining whether the authority described in subsection (1) or (2) should be continued.

Sec. 904. (1) The bureau of investments of the department of treasury may charge an investment service fee against the applicable retirement funds. The revenue from the investment service fees charged under this subsection 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 retirement fund and the state employees' retirement fund. If the bureau of investments of the department of treasury charges a total amount of investment service fees under this subsection that is greater than the aggregate amount appropriated in part 1, the bureau of investments of the department of treasury shall periodically repay the surplus revenue to the applicable retirement funds. The department of treasury shall maintain accounting records in sufficient detail to enable repayment under this subsection.

(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, or other outside professionals that the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall submit an annual report to the standard report recipients and the senate and house of representatives standing committees on appropriations regarding the performance of each portfolio delineated by investment advisor.

(3) Not later than November 30, the department of treasury shall submit a report to the standard report recipients that identifies the service fees assessed against each retirement system under subsection (1) and the methodology used for assessment.

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions or equivalent vendors that perform these financial services, including the department of treasury, as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) must be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to cover these expenditures. If the amounts of common cash interest earnings are insufficient to cover these expenditures, miscellaneous revenues must be used to fund the remaining balance of these expenditures.

Sec. 905. The municipal finance fee fund is created in the department of treasury as a revolving fund. The department of treasury shall deposit the fees that the department of treasury collects under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, into the municipal finance fee fund. The money in the fund at the end of the fiscal year may be carried forward for future appropriation.

Sec. 906. (1) The department of treasury shall charge for audits as allowed under state or federal law or under a contract between the department of treasury and a local unit of government, other principal executive department, or state agency. However, the department of treasury shall not charge more than the actual cost for performing the audit. Not later than November 30, the department of treasury shall submit a report to the standard report recipients that includes details of the audits performed and audit charges for the immediately preceding fiscal year.

(2) The audit charges fund is created in the department of treasury as a revolving fund. The department of treasury shall deposit the contractual charges collected under subsection (1) into the audit charges fund. The money in the fund at the end of the fiscal year may be carried forward for future appropriation.

Sec. 907. (1) The department of treasury shall create and operate a property assessor certification and training program. The purpose of the program is to offer courses in assessment administration.

(2) The assessor certification and training fund is created in the department of treasury as a revolving fund. The department of treasury shall use the money in the assessor certification and training fund to create and operate the property assessor certification and training program described in subsection (1).

(3) Each participant in the program shall pay to the department of treasury an examination fee not to exceed $50.00 per examination and a certification fee not to exceed $175.00. In addition, each participant shall pay a fee to cover the expenses incurred in offering the program to certified assessing personnel and other individuals interested in an assessment career opportunity. The department of treasury shall deposit the fees collected under this subsection into the property assessor certification and training program fund.

Sec. 908. The amount appropriated in part 1 for the home heating assistance program is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and of administering 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 must be distributed in accordance with 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(3) of 1976 IL 1, MCL 445.573c, is appropriated.

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable tax credits, tax refunds, and interest as provided by law.

(2) The appropriations under subsection (1) must be funded by restricting tax revenue in an amount sufficient to cover 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 on 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 on the state treasurer. However, the fee must be reduced to $5.00 for each writ of garnishment for individual income tax refunds or credits that is filed electronically.

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 must be made from the savings that result from the appraisal or appeal process being conducted by private firms.

(2) The department of treasury may use a portion of the funds appropriated in part 1 for the senior citizen cooperative housing tax exemption program for an audit of the program. The department of treasury shall submit copies of any completed audit report to the standard report recipients. The department of treasury may use not more than 1% of the funds for administering and auditing the program.

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. As required under 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 the 2023 tax year. Except as otherwise provided in this section, the amount appropriated does not revert to the general fund and remains in the state campaign fund. Any amount that remains in the state campaign fund in excess of $10,000,000.00 on December 31 reverts to the general fund.

Sec. 916. (1) The department of treasury may make available to an interested entity a customized list of otherwise unavailable nonconfidential information regarding unclaimed property that is in the department of treasury's possession. The department of treasury shall charge for this information as follows:

(a) For 1 to 100,000 records, 2.5 cents per record.

(b) For 100,001 or more records, 0.5 cents per record.

(2) The revenue received under subsection (1) must be deposited in the revenue account or fund that is associated with the applicable unclaimed property.

(3) Not later than June 1, the department of treasury shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of the information under this section.

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

(2) Not later than November 30, the department of treasury shall submit a report to the standard report recipients. The report must include all of the following information for the immediately preceding fiscal year:

(a) The amounts appropriated for write-offs and advances under subsection (1).

(b) An explanation for each write-off or advance under subsection (1).

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 uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265. 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 applicable 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) Not later than November 30, the department of treasury shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations. The report must include all of the following information for the immediately preceding fiscal year:

(a) The name of each auditing firm that the department of treasury contracted with under subsection (1).

(b) The amount collected by each of the auditing firms.

(c) The costs of collection.

(d) Any other information that is pertinent to determining whether the authority under subsection (1) should be continued.

Sec. 920. Not later than June 30, from the funds appropriated in part 1, the department of treasury shall do both of the following:

(a) Produce a list of all personal property tax reimbursement payments to be distributed in the current fiscal year by the local community stabilization authority.

(b) Post the list produced under subdivision (a) on the department of treasury's public website.

Sec. 921. From the funds appropriated in part 1, the department of treasury shall, for each revenue administrative bulletin, administrative rule that involves tax administration or collection, and notice interpreting a change in law, submit a notification to every member of the legislature. The department of treasury shall submit the notification not later than 3 days after the department of treasury posts the notification. Each notification must include all of the following:

(a) A summary of the proposed changes from current procedures.

(b) Identification of industries that will or might be affected by the bulletin, rule, or notice.

(c) A statement of the potential fiscal implications of the bulletin, rule, or notice. This subdivision does not apply to a bulletin, rule, or notice that is a routine update of a tax or interest rate required by statute.

(d) A summary of the reason for the proposed change.

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 211.155.

(2) Not later than December 31, the department of treasury shall submit a report to the standard report recipients that includes the amount of exemptions denied and the revenue received under the program described in subsection (1) for the immediately preceding fiscal year.

Sec. 927. The department of treasury shall submit a progress report regarding essential service assessment audits to the standard report recipients. The report must include all of the following:

(a) The number of audits.

(b) The revenue generated from the audits.

(c) The number of complaints received by the department of treasury related to the audits.

Sec. 928. The department of treasury may provide receipt, check and cash processing, data, collection, investment, fiscal agent, levy and check 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 must be expended for salaries, wages, fees, supplies, and equipment necessary to provide the services. Money in the fund that is unobligated at the end of the fiscal year lapses to the general fund.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies in accordance with 1927 PA 375, MCL 14.131 to 14.134, or to a city with which the department of treasury has contracted to provide tax administration services. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except for unrestricted general fund collections. Fees must be credited to a restricted revenue account and are appropriated to the department of treasury to pay for the cost of collections. If the department of treasury deducts fees under this subsection that total an amount that is greater than the actual cost of the collections, the department of treasury shall periodically repay the surplus to the respective account. The department of treasury shall maintain accounting records in sufficient detail to enable repayment under this subsection.

(2) Not later than November 30, the department of treasury shall submit a report to the standard report recipients that includes the following information regarding subsection (1) for the immediately preceding fiscal year:

(a) The principal executive departments and state agencies served.

(b) The funds collected.

(c) The costs of collection.

Sec. 931. (1) Except as otherwise provided in this subsection, the appropriation in part 1 to the department of treasury for treasury fees must be assessed against all restricted funds that receive common cash earnings or other investment income. This subsection does not apply to federal or state restricted funds that are temporary in nature or otherwise do not qualify to be assessed treasury fees. The fee assessed against each restricted fund must be based on the size of the restricted fund, calculated as the absolute value of the average daily cash balance plus the market value of investments in the immediately preceding fiscal year, and the level of resources necessary to maintain the restricted fund as required by each department. Not later than November 30, the department of treasury shall submit a report to the standard report recipients that identifies the fees assessed against each restricted fund and the methodology used for the assessment.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees that are related to new restricted funding sources that participate in common cash earnings or other investment income during the current fiscal year.

(3) As used in this section, "treasury fees" includes all costs, including administrative overhead, that are related to the investment of a restricted fund.

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

Sec. 934. (1) The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority, Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the MFA, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission retirement fund and the state employees' retirement fund, and other expenses as allowed under those acts or executive reorganization orders.

(2) Not later than January 31, the department of treasury shall submit a report to the standard report recipients that includes both of the following for the immediately preceding fiscal year:

(a) The amount and purpose of expenditures of $250,000.00 or more that are made under subsection (1) from funds received by the department of treasury that are in addition to those appropriated in part 1.

(b) A list of reimbursement of revenue, if any.

Sec. 935. The position of student loan ombudsman is created in the department of treasury's advocacy services team. The student loan ombudsman serves as an advocate for borrowers and shall work with the financial resource navigator within the department of lifelong learning and potential to provide technical assistance to individuals taking out or paying off student loans.

Sec. 936. Revenue collected in the state forensic laboratory fund is appropriated and shall be distributed in accordance with section 7 of the forensic laboratory funding act, 1994 PA 35, MCL 12.207.

Sec. 937. As a condition of receiving funds in part 1, not later than March 31, the department of treasury shall submit a report to the standard report recipients and the senate and house standing committees on appropriations regarding the department of treasury's collection efforts for delinquent accounts. The report must include all of the following:

(a) Information regarding the effectiveness of the department of treasury's current collection strategies, including the use of vendors or contractors.

(b) The amount of delinquent accounts.

(c) The liquidation rates for declining delinquent accounts.

(d) The profile of uncollected delinquent accounts, including specific uncollected amounts by category.

(e) The department of treasury's strategy to manage delinquent accounts when those accounts exceed the collectible period.

(f) A summary of the strategies used in other states, including, but not limited to, secondary placement services, and assessing the benefits of those strategies.

Sec. 938. Revenue collected in the qualified heavy equipment rental personal property exemption reimbursement fund is appropriated and must be distributed in accordance with section 9 of the qualified heavy equipment rental personal property specific tax act, 2022 PA 35, MCL 211.1129.

Sec. 939. Revenue deposited in the local government reimbursement fund is appropriated and must be distributed in accordance with section 3a of the Michigan trust fund act, 2000 PA 489, MCL 12.253a.

Sec. 940. (1) The election administration support fund is created in the state treasury.

(2) Any unexpended funds in the election administration support fund must be carried forward and are available for expenditure under this section.

(3) Funds may be spent from the election administration support fund only on appropriation, or legislative transfer pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) The state treasurer may receive money or other assets from any source for deposit in the election administration support fund. The state treasurer shall direct the investment of the election administration support fund. The state treasurer shall credit to the election administration support fund interest and earnings from the election administration support fund.

(5) Funds in the election administration support fund at the close of the fiscal year remain in the election administration support fund and do not lapse to the general fund.

(6) Funds appropriated in part 1 for election administration support fund must be deposited in the election administration support fund.

Sec. 941. (1) Not later than November 1, from the funds appropriated in part 1, the department of treasury, in conjunction with the MSF, shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the annual cost of the MEGA tax credits. The report must include, for each year from 1995 to the expiration of the MEGA tax credit program, the board-approved credit amount, adjusted for credit amendments if applicable, and the actual and projected value of tax credits. For years for which credit claims are complete, the report must include the total of actual certificated credit amounts. For years for which claims are still pending or not yet submitted, the report must include a combination of actual credits if available and projected credits. Credit projections must be based on updated estimates of employees, wages, and benefits for eligible companies.

(2) In addition to the report under subsection (1), not later than November 1, the department of treasury, in conjunction with the MSF, shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the annual cost of all other certificated credits by program for each year until the credits expire or can no longer be collected. The report must include estimates on the brownfield redevelopment credit, film credits, MEGA photovoltaic technology credit, MEGA polycrystalline silicon manufacturing credit, MEGA vehicle battery credit, and other certificated credits.

Sec. 944. From the funds appropriated in part 1, if the department of treasury hires a pension plan consultant using any of the funds appropriated in part 1, the department of treasury shall do all of the following:

(a) Retain each report provided to the department of treasury by that consultant.

(b) Notify the standard report recipients that the department of treasury has hired a pension plan consultant, including the reason why the department of treasury hired the pension plan consultant.

(c) Make a report described in subdivision (a) available to a standard report recipient if requested by the standard report recipient.

Sec. 945. From the funds appropriated in part 1, audits of local unit assessment administration practices, procedures, and records must be conducted in each assessment jurisdiction a minimum of 1 time every 5 years and in accordance with section 10g of the general property tax act, 1893 PA 206, MCL 211.10g.

Sec. 946. Revenue collected in the convention facility development fund is appropriated and must be distributed in accordance with sections 8, 9, and 10 of the state convention facility development act, 1985 PA 106, MCL 207.628, 207.629, and 207.630.

Sec. 947. It is the intent of the legislature that financial independence teams cooperate with the financial responsibility section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts.

Sec. 948. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $26,473,600.00. From this amount, total department of treasury appropriations for pension-related legacy costs are estimated at $23,877,500.00. Total department of treasury appropriations for retiree health care legacy costs are estimated at $2,596,100.00.

Sec. 949. (1) From the funds appropriated in part 1, the department of treasury may contract with private agencies to prevent the disbursement of fraudulent tax refunds. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to pay the costs of the contracts or to fund operations designed to reduce fraudulent income tax refund payments. The additional amount appropriated under this subsection must not be greater than $2,000,000.00. The appropriation to fund fraud prevention efforts under this subsection is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) Not later than November 30, the department of treasury shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations. The report must include all of the following for the immediately preceding fiscal year:

(a) The number of refund claims denied because of the fraud prevention operations.

(b) The amount of refunds denied.

(c) The costs of the fraud prevention operations.

(d) Any other information that is pertinent to determining whether the authority under subsection (1) should be continued.

Sec. 949a. From the funds appropriated in part 1 for city income tax administration program, the department of treasury may expand its individual income tax administration for any additional cities that enter into service-level agreements with the department of treasury for this purpose. In addition to the funds appropriated in part 1, any additional local funds received as part of the service-level agreements are appropriated to the department for staffing and administration of the program.

Sec. 949b. Tax capture revenues collected in accordance with written agreements under the good jobs for Michigan program and transferred from the general fund for deposit into the good jobs for Michigan fund, including tax capture revenues collected for calculated payments from the good jobs for Michigan fund to authorized businesses and distributions to the MSF for administrative expenses, are appropriated in accordance with chapter 8D of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090g to 125.2090j.

Sec. 949c. From the funds appropriated in part 1, funds must be expended in coordination with the department of agriculture and rural development to improve the timely processing and issuance of tax credits from the Michigan's farmland and open space preservation program created under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and open space preservation program under parts 361 and 362 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36116 and 324.36201 to 324.36207.

Sec. 949d. (1) From the funds appropriated in part 1 for financial review commission, the department of treasury shall continue financial review commission efforts in the current fiscal year. The purpose of the funding is to cover ongoing costs associated with the operation of the commission.

(2) The department of treasury shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the department of treasury's ability to perform a critical fiscal review to ensure the city of Detroit does not reenter distress following its exit from bankruptcy and to ensure that the community district does not enter distress and maintains a balanced budget.

(3) Not later than March 15, the department of treasury shall submit a report to the standard report recipients that includes both of the following:

(a) A description of the specific outcomes and measures required in subsection (1).

(b) The results and data related to these outcomes and measures.

Sec. 949e. From the funds appropriated in part 1 for the state essential services assessment program, the department of treasury shall administer the state essential services assessment program. The purpose of the program is to provide a phased-in replacement of locally collected personal property taxes on eligible manufacturing personal property. The program must provide the department of treasury with the ability to collect the state essential services assessment.

Sec. 949f. Revenue from the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, related to counties with a population of more than 2,000,000 according to the 2000 federal decennial census is appropriated and must be distributed in accordance with section 12(2)(e) of the tobacco products tax act, 1993 PA 327, MCL 205.432.

Sec. 949h. Revenue from part 6 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27601 to 333.27605, is appropriated and must be distributed in accordance with part 6 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27601 to 333.27605.

Sec. 949i. Revenue from the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, is appropriated and must be distributed in accordance with the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.

Sec. 949j. All funds in the wrongful imprisonment compensation fund created in the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757, are appropriated and available for expenditure. Expenditures are limited to support wrongful imprisonment compensation payments under section 6 of the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1756.

Sec. 949k. There is appropriated an amount equal to the tax captured revenues due under approved transformational brownfield plans created under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

Sec. 949m. From the funds appropriated in part 1, the Michigan infrastructure council shall plan, conduct, and contract for asset management improvement activities, including, but not limited to, any of the following:

(a) Infrastructure data collection activities.

(b) Asset manager training.

(c) Development of a 30-year asset management plan for this state.

(d) Assistance in asset management improvement projects, including maintaining an asset management portal.

(e) Any other projects that promote improved asset management for infrastructure in this state.

Sec. 949n. In addition to the funds appropriated in part 1, the money in the fostering futures scholarship trust fund, including any money received as gifts or donations to the fostering futures scholarship trust fund, is appropriated and the department of treasury may issue payments in compliance with the fostering futures scholarship trust fund act, 2008 PA 525, MCL 722.1021 to 722.1031.

REVENUE SHARING

Sec. 950. The department of treasury shall distribute the funds appropriated in part 1 for constitutional revenue sharing to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. 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 cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

Sec. 952. (1) The funds appropriated in part 1 for city, village, and township revenue sharing are for grants to cities, villages, and townships and must be distributed as provided in this section.

(2) From the first $299,126,400.00 appropriated in part 1 for city, village, and township revenue sharing, each city, village, or township shall receive an amount equal to 100.0% of the revenue sharing payment for which the city, village, or township would have been eligible to receive under section 952 of article 5 of 2023 PA 119 rounded to the nearest dollar, regardless of whether any limitation or eligibility criteria under section 952 of article 5 of 2023 PA 119 were satisfied.

(3) The remaining amount appropriated in part 1 for city, village, and township revenue sharing after the distributions under subsection (2) must be distributed as follows:

(a) 1/3 shall be distributed as taxable value payments as provided under subsection (4).

(b) 1/3 must be distributed as unit type population payments as provided under subsection (5).

(c) 1/3 must be distributed as yield equalization payments as provided under subsection (6).

(4) A taxable value payment must be made to each city, village, and township, determined as follows:

(a) Determine the per capita taxable value for each city, village, and township by dividing the taxable value of that city, village, or township by the population of that city, village, or township.

(b) Determine the statewide per capita taxable value by dividing the total taxable value of all cities, villages, and townships by the total population of all cities, villages, and townships.

(c) Determine the per capita taxable value ratio for each city, village, and township by dividing the statewide per capita taxable value by the per capita taxable value for that city, village, or township.

(d) Determine the adjusted taxable value population for each city, village, and township by multiplying the per capita taxable value ratio as determined under subdivision (c) for that city, village, or township by the population of that city, village, or township.

(e) Determine the total statewide adjusted taxable value population, which is the sum of all adjusted taxable value population for all cities, villages, and townships.

(f) Determine the taxable value payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted taxable value population as determined under subdivision (e).

(g) Determine the taxable value payment for each city, village, and township by multiplying the result under subdivision (f) by the adjusted taxable value population for that city, village, or township.

(5) A unit type population payment must be made to each city, village, and township, determined as follows:

(a) Determine the unit type population weight factor for each city, village, and township as follows:

(*i*) For a township with a population of 5,000 or less, 1.0.

(*ii*) For a township with a population of more than 5,000 but less than 10,001, 1.2.

(*iii*) Except as otherwise provided in subparagraph (*xix*), for a township with a population of more than 10,000 but less than 20,001, 1.44.

(*iv*) For a township with a population of more than 20,000 but less than 40,001, 4.32.

(*v*) For a township with a population of more than 40,000 but less than 80,001, 5.18.

(*vi*) For a township with a population of more than 80,000, 6.22.

(*vii*) For a village with a population of 5,000 or less, 1.5.

(*viii*) For a village with a population of more than 5,000 but less than 10,001, 1.8.

(*ix*) For a village with a population of more than 10,000, 2.16.

(*x*) For a city with a population of 5,000 or less, 2.5.

(*xi*) For a city with a population of more than 5,000 but less than 10,001, 3.0.

(*xii*) For a city with a population of more than 10,000 but less than 20,001, 3.6.

(*xiii*) For a city with a population of more than 20,000 but less than 40,001, 4.32.

(*xiv*) For a city with a population of more than 40,000 but less than 80,001, 5.18.

(*xv*) For a city with a population of more than 80,000 but less than 160,001, 6.22.

(*xvi*) For a city with a population of more than 160,000 but less than 320,001, 7.46.

(*xvii*) For a city with a population of more than 320,000 but less than 640,001, 8.96.

(*xviii*) For a city with a population of more than 640,000, 10.75.

(*xix*) For a township that has a population of not less than 10,000 and certifies to the department of treasury that the township provides for or makes available all of the following, the township must receive the unit type population weight factor for a city with the same population:

(A) Fire services.

(B) Police services on a 24-hour basis either through contracting for or directly employing personnel.

(C) Water services to 50% or more of its residents.

(D) Sewer services to 50% or more of its residents.

(b) Determine the adjusted unit type population for each city, village, and township by multiplying the unit type population weight factor for that city, village, or township as determined under subdivision (a) by the population of the city, village, or township.

(c) Determine the total statewide adjusted unit type population, which is the sum of the adjusted unit type population for all cities, villages, and townships.

(d) Determine the unit type population payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted unit type population as determined under subdivision (c).

(e) Determine the unit type population payment for each city, village, and township by multiplying the result under subdivision (d) by the adjusted unit type population for that city, village, or township.

(6) A yield equalization payment must be made to each city, village, and township in an amount that is sufficient to provide the guaranteed tax base for a local tax effort, but not to exceed 0.02. The payment must be determined as follows:

(a) The guaranteed tax base is the maximum combined state and local per capita taxable value that can be guaranteed in a state fiscal year to each city, village, and township for a local tax effort, not to exceed 0.02, if an amount equal to the amount described in subsection (3)(c) is distributed to cities, villages, and townships whose per capita taxable value is below the guaranteed tax base.

(b) The full yield equalization payment to each city, village, and township is the product of the amounts determined under subparagraphs (*i*) and (*ii*):

(*i*) An amount greater than zero that is equal to the difference between the guaranteed tax base determined in subdivision (a) and the per capita taxable value of the city, village, or township.

(*ii*) The local tax effort of the city, village, or township, not to exceed 0.02, multiplied by the population of that city, village, or township.

(7) For purposes of this section, any city, village, or township that completely merges with another city, village, or township must be treated as a single entity, so that when determining the eligible city, village, and township revenue sharing payment under section 952 of article 5 of 2023 PA 119 for the combined single entity, the city, village, and township revenue sharing amount that each of the merging local units of government was eligible to receive under section 952 of article 5 of 2023 PA 119 is summed.

Sec. 954. (1) Cities, villages, and townships receiving a payment under section 952(2) and counties receiving a payment under section 955(2) shall receive 1/6 of their total payment on the last business day of October, December, February, April, June, and August. On the last business day of February 2026, cities, villages, and townships receiving a payment under section 952(3) and counties receiving a payment under section 955(3) shall receive 50% of the estimated payment to be received under section 952(3) or 955(3), as applicable. On the last business day of June 2026, cities, villages, and townships receiving a payment under section 952(3) and counties receiving a payment under 955(3) shall receive any remaining payment calculated under section 952(3) or 955(3), as applicable.

(2) Payments distributed under section 952 or section 955 may be withheld in accordance with sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(3) If a city, village, or township that receives a payment under section 952 is determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, the city, village, or township must allocate to its pension unfunded liability an amount equal to 50% of the difference between its current year payment under section 952 and the amount the city, village or township would have been eligible to receive under section 952 of article 5 of 2024 PA 121, rounded to the nearest dollar. A city, village, or township that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement.

(4) If a county that receives a payment under section 955 is determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, the county must allocate to its pension unfunded liability an amount equal to 50% of the difference between its current year payment under section 955 and the amount the county would have been eligible to receive under section 955 of article 5 of 2024 PA 121, rounded to the nearest dollar. A county that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement.

Sec. 955. (1) The funds appropriated in part 1 for county revenue sharing are for grants to counties and must be distributed as provided in this section.

(2) From the first $261,069,700.00 appropriated in part 1, each county shall receive an amount equal to 100.0% of the revenue sharing payment for which the county would have been eligible to receive under sections 952(3) and 955 of article 5 of 2023 PA 119, rounded to the nearest dollar, regardless of whether any limitation or eligibility criteria under sections 952 and 955 of article 5 of 2023 PA 119 were satisfied.

(3) From the remaining amount appropriated in part 1 for county revenue sharing after the distributions under subsection (2), a taxable value payment must be made to each county, determined as follows:

(a) Determine the per capita taxable value for each county by dividing the taxable value of that county by the population of that county.

(b) Determine the statewide per capita taxable value by dividing the total taxable value of all counties by the total population of all counties.

(c) Determine the per capita taxable value ratio for each county by dividing the statewide per capita taxable value by the per capita taxable value for that county.

(d) Determine the adjusted taxable value population for each county by multiplying the per capita taxable value ratio as determined under subdivision (c) for that county by the population of that county.

(e) Determine the total statewide adjusted taxable value population, which is the sum of all adjusted taxable value population for all counties.

(f) Determine the taxable value payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted taxable value population as determined under subdivision (e).

(g) Determine the taxable value payment for each county by multiplying the result under subdivision (f) by the adjusted taxable value population for that county.

Sec. 956. (1) From the funds appropriated in part 1 for financially distressed cities, villages, or townships, the department of treasury shall create and operate a grant program to award grants to cities, villages, and townships that have 1 or more conditions that indicate probable financial distress, as determined by the department of treasury. A city, village, or township with 1 or more conditions that indicate probable financial distress may apply in a manner determined by the department of treasury for a grant to pay for specific projects or services that move the city, village, or township toward financial stability. Grants must be used for specific projects or services that move the city, village, or township toward financial stability. The city, village, or township must use the grants under this section to do 1 or more of the following:

(a) Make payments to reduce unfunded accrued liability.

(b) Repair or replace critical infrastructure and equipment owned or maintained by the city, village, or township.

(c) Reduce debt obligations.

(d) Pay for costs associated with a transition to shared services with another jurisdiction.

(e) Administer other projects that move the city, village, or township toward financial stability.

(2) The department of treasury shall award not more than $2,000,000.00 to any city, village, or township under this section.

(3) Not later than March 31, the department of treasury shall submit a report to the standard report recipients that includes all of the following for each grant recipient.

(a) The name of the grant recipient.

(b) The date the grant was approved.

(c) The amount of the grant.

(d) A description of the project or projects that will be paid by the grant.

(4) The unexpended funds appropriated in part 1 for financially distressed cities, villages, or townships are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have 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 provide assistance to financially distressed cities, villages, and townships under this section.

(b) The projects will be accomplished by grants to cities, villages, and townships approved by the department of treasury.

(c) The total estimated cost of all projects is $2,500,000.00.

(d) The tentative completion date is September 30, 2030.

Sec. 957. A term that is defined in the Glenn Steil state revenue sharing act, 1971 PA 140, MCL 141.901 to 141.921, has the same meaning when used in sections 950 to 956.

Sec. 959. (1) The department of treasury shall distribute funds appropriated in part 1 for public safety revenue sharing grants as provided for in subsection (9) and as follows:

(a) $3,250,000.00 to the MDHHS to establish and administer a grant program to award funds to community violence intervention programs.

(b) $35,062,500.00 for a public safety assistance payment to each city, village, or township. The public safety assistance payment must be calculated as follows:

(*i*) Determine the average violent crime count for each city, village, and township by adding the 2 highest annual violent crime counts for each city, village, and township from the 3 most recently available annual crime reports published by the MDSP as of the first day of the current fiscal year and dividing by 2.

(*ii*) Determine the statewide total violent crime count by summing the average violent crime count for each city, village, and township as determined under subparagraph (*i*).

(*iii*) Determine the proportional factor for each city, village, and township by dividing the average violent crime count for each city, village, and township as determined under subparagraph (*i*) by the statewide total violent crime count determined under subparagraph (*ii*).

(*iv*) Multiply the proportional factor determined in subparagraph (*iii*), for each city, village, and township by the total amount available for distribution under this subdivision, and round to the nearest dollar.

(2) A public safety assistance payment to a city, village, or township as determined under subsection (1)(b) is limited to not more than 25% of the total amount available for distribution under subsection (1)(b).

(3) All of the following apply to a distribution under subsection (1)(b):

(a) A city, village, or township must use the distribution only for operational and capital expenditures that serve the purposes of public safety.

(b) Not less than 75% of a public safety assistance payment distributed under subsection (1)(b) to a city, village, or township must be used to fund, either directly or indirectly through a subgrant to another governmental entity, a law enforcement agency or law enforcement officers as defined in section 2 of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.602.

(c) Not more than 25% of a public safety assistance payment distributed under subsection (1)(b) to a city, village, or township must be used to fund other non-law-enforcement-related public safety purposes, which include, but are not limited to: public safety initiatives to improve recruitment or retention efforts; training programs; equipment purchases; programs designed to reduce identified risks to public safety; crime diversion programs; operational emergency medical or firefighter services; or capital improvements to public safety buildings or structures. All local public safety initiative expenses must be related to public safety and designed to reduce identified risks to public safety and cannot include unproven intervention solutions to community violence.

(d) A distribution made under subsection (1)(b) must not be used for the following nonoperating expenses:

(*i*) Pension and other post employee benefit (OPEB) payments.

(*ii*) Lawsuits and claims payments.

(*iii*) Debt service payments.

(*iv*) The acquisition or use of a vehicle weighing more than 15,000 pounds that is designed or used for a tactical police purpose.

(*v*) The acquisition or use of facial recognition technology.

(*vi*) The acquisition or use of a chemical weapon.

(4) A city, village, or township may subgrant all or part of the distribution under subsection (1)(b) if the subgrant is used for the purpose of public safety as described under subsection (3).

(5) Subject to subsections (6), (7), and (8), not later than November 30, the director of the MDSP shall provide the department of treasury with a certified list that contains all of the following:

(a) Base crime level.

(b) Current violent crime counts.

(c) Current violent crime rates, as determined by the director of the MDSP.

(6) The current violent crime data described in subsection (5)(b) and (c) mean the calendar year annual violent crime data for each city, village, and township received and finalized by the MDSP during the immediately preceding state fiscal year and the 2 immediately preceding calendar years before the immediately preceding state fiscal year.

(7) Crimes reported by a city, village, township, or reported by a county on behalf of the city, village, or township, must be included in the certified list under subsection (5), but crimes reported by other authorities must be omitted from the certified list under subsection (5).

(8) The certified list under subsection (5) must contain all cities, villages, and townships in this state and must report a zero for cities, villages, and townships that did not submit crime data.

(9) $11,687,500.00 must be used for public safety assistance payments to counties. The payment to each county must be calculated by dividing the amount to be distributed under this subsection by the total statewide adjusted taxable value population as determined under section 955(3)(e) and multiplying the result by the adjusted taxable value population for that county as determined under section 955(3)(d). All of the following apply to a distribution made under this subsection:

(a) A county must use the distribution only for operational and capital expenditures that serve the purposes of public safety.

(b) Not less than 75% of a public safety assistance payment distributed to a county under this subsection must be used to fund, either directly or indirectly through a subgrant to another governmental entity, a law enforcement agency or law enforcement officers as defined in section 2 of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.602.

(c) Not more than 25% of a public safety assistance payment distributed to a county under this subsection must be used to fund other non-law-enforcement-related public safety purposes, which include, but are not limited to: public safety initiatives to improve recruitment or retention efforts; training programs; equipment purchases; programs designed to reduce identified risks to public safety; crime diversion programs; operational emergency medical or firefighter services; or capital improvements to public safety buildings or structures. All local public safety initiative expenses must be related to public safety and designed to reduce identified risks to public safety and cannot include unproven intervention solutions to community violence.

(d) A distribution made under this subsection must not be used for the following nonoperating expenses:

(*i*) Pension and other post employee benefit (OPEB) payments.

(*ii*) Lawsuits and claims payments.

(*iii*) Debt service payments.

(*iv*) The acquisition or use of a vehicle weighing more than 15,000 pounds that is designed or used for a tactical police purpose.

(*v*) The acquisition or use of facial recognition technology.

(*vi*) The acquisition or use of a chemical weapon.

(10) A county may subgrant all or part of the distribution under subsection (9) if the subgrant is used for the purpose of public safety as described in subsection (9).

(11) As used in subsections (1) to (8):

(a) "Base crime level" means the average of a city, village, or township's 2 highest annual rates of violent crime, as certified by the director of the MDSP and determined by the annual crime reports published by the MDSP in the 3 calendar years immediately preceding the current calendar year.

(b) "Population" means the counts, as defined by the Federal Bureau of Investigation and used by the director of the MDSP, to determine the population for each city, village, and township.

(c) "Violent crime" means that term as defined by the director of the MDSP in accordance with the department's incident crime reporting program and the corresponding annual crime reports.

(d) "Violent crime count" means the number of violent crimes based on victim counts, as certified by the director of the MDSP. When a victim is connected to multiple offenses, the victim is counted under the highest-ranked offense, as defined by the director of the MDSP.

(e) "Violent crime rate" means the number of crimes per 100,000 people, determined by dividing a particular city, village, or township violent crime count by the population, then multiplying by 100,000 and rounding to the nearest whole number.

(12) As used in this section:

(a) "Chemical weapon" means a munition or device that is specifically designed to cause death or other harm through a toxic chemical that would be released as a result of the employment of the munition or device.

(b) "Facial recognition technology" means an automated or a semiautomated technological process that assists in identifying or verifying an individual based on the individual's face.

(13) It is the intent of the legislature that $50,000,000.00 be appropriated for the purposes outlined in this section in fiscal years 2025-2026, 2026-2027, and 2027-2028.

BUREAU OF STATE LOTTERY

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from state lottery fund revenues the amount necessary for, and directly related to, implementing and operating lottery games under the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47, and activities under the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152, including expenditures for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the online system communications network, and incentive and bonus payments to lottery retailers.

Sec. 964. For the bureau of state lottery, there is appropriated 1% of the lottery's immediately preceding fiscal year's gross sales for promotion and advertising.

MICHIGAN GAMING CONTROL BOARD

Sec. 970. As used in sections 971 to 979:

(a) "Compulsive gaming prevention fund" means the compulsive gaming prevention fund created in section 3 of the compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

(b) "Fantasy contest fund" means the fantasy contest fund created in section 16 of the fantasy contests consumer protection act, 2019 PA 157, MCL 432.516.

(c) "First responder presumed coverage fund" means the first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(d) "Internet gaming fund" means the internet gaming fund created in section 16 of the lawful internet gaming act, 2019 PA 152, MCL 432.316.

(e) "Internet sports betting fund" means the internet sports betting fund created in section 16 of the lawful sports betting act, 2019 PA 149, MCL 432.416.

Sec. 971. (1) From the revenue collected by the Michigan gaming control board from the total annual assessment of each casino licensee, funds are appropriated and must be distributed as described in section 12a(5) of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.212a.

(2) The revenue collected in the internet sports betting fund is appropriated and must be distributed in accordance with the lawful sports betting act, 2019 PA 149, MCL 432.401 to 432.419.

(3) The revenue collected in the internet gaming fund is appropriated and must be distributed in accordance with the lawful internet gaming act, 2019 PA 152, MCL 432.301 to 432.322, and the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152.

Sec. 972. After all other required expenditures described in section 16(3) of the fantasy contests consumer protection act, 2019 PA 157, MCL 432.516, section 16(4) of the lawful internet gaming act, 2019 PA 152, MCL 432.316, and section 16(4) of the lawful sports betting act, 2019 PA 149, MCL 432.416 are made, any money remaining in the fantasy contest fund, internet gaming fund, and internet sports betting fund is appropriated and must be deposited in the state school aid fund as described in section 16(3)(b) of the fantasy contests consumer protection act, 2019 PA 157, MCL 432.516, section 16(4) of the lawful internet gaming act, 2019 PA 152, MCL 432.316, and section 16(4) of the lawful sports betting act, 2019 PA 149, MCL 432.416.

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.

(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 may receive and administer funds 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) A local revenue sharing board described in subsection (1) shall comply with all applicable provisions of any agreement authorized by the Indian gaming regulatory act, Public Law 100-497, in which the local revenue sharing board is referenced, including, but not limited to, the disbursal of tribal casino payments received in accordance with applicable provisions of the tribal-state class III gaming compact under which those funds are received.

(5) The director of the MDSP and the executive director of the Michigan gaming control board may assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(6) Not later than September 30, the Michigan gaming control board shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund created in section 12a of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.212a, are less than the amounts appropriated from the state services fee fund, available revenues must 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 state services fee fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall must be distributed proportionally among those departments and agencies.

Sec. 975. In expending the funds appropriated in part 1 for advertising for responsible gaming, the Michigan gaming control board shall engage with MDHHS on strategies to support addiction prevention and education efforts in addition to advertising for responsible gaming. Not later than September 1, the Michigan gaming control board shall submit a report to the standard report recipients on the expenditures and programming funded from the appropriations in part 1 for advertising for responsible gaming.

Sec. 976. The executive director of the Michigan gaming control board may pay rewards of not more than $5,000.00 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 under this section must be paid out of the appropriation in part 1 for the racing commission.

Sec. 977. All appropriations from the equine industry development fund created in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320, except for the racing commission appropriations, must be reduced proportionately if revenues to the equine industry development fund decline during the current fiscal year to a level lower than the amount appropriated in part 1.

Sec. 978. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall submit a report of that data to the standard report recipients and the senate and house of representatives appropriations subcommittees on agriculture. The Michigan gaming control board may not be reimbursed for more than the actual regulatory cost of conducting race dates. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed of horse may require different regulatory mechanisms.

Sec. 979. From the funds appropriated in part 1 for millionaire party regulation, the Michigan gaming control board may receive and expend internet gaming fund revenue in an amount that is not more than the amount appropriated in part 1 for necessary expenses incurred in the licensing and regulation of millionaire parties under article 2 of the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.132 to 432.152. Any unused internet gaming fund revenues are subject to the distribution requirements in section 16 of the lawful internet gaming act, 2019 PA 152, MCL 432.316. Not later than March 1, the Michigan gaming control board shall submit a report to the standard report recipients that includes all of the following:

(a) The total expenditures related to the licensing and regulating of millionaire parties.

(b) The steps taken to ensure charities are receiving revenue due to them.

(c) A description of the progress on promulgating rules to ensure compliance with the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152.

(d) Any enforcement actions taken.

ONE-TIME APPROPRIATIONS

Sec. 991. (1) The department of treasury shall distribute and award funds appropriated in part 1 for public safety constituency grants as provided in subsection (2) and as follows:

(a) $17,000,000.00 must be awarded to eligible offices of county prosecutors to reduce the average caseloads per attorney. To be eligible to receive a grant, all of the following criteria must be met:

(*i*) The office of a county prosecutor must receive at a minimum the same amount of funding from the county for the fiscal year ending in 2026 as the office of county prosecutor received from the county in the immediately preceding fiscal year.

(*ii*) The county is 1 of the 15 counties with the highest violent crime rate per 1,000 residents as determined for each county. The violent crime rate is calculated by dividing the total violent crime incidents reported for the county according to the most recent annual crime report published by the MDSP that is available as of April 1 of the previous state fiscal year by the total population of the county according to the most recent federal decennial census and then multiplying by 1,000.

(*iii*) The office of the county prosecutor must apply for a grant in a form and manner determined by the department of treasury. The office of the county prosecutor must include with its application a proposed budget designating that grant proceeds will support only costs that reduce the average caseload per attorney.

(*iv*) The office of the county prosecutor submits a report including, at a minimum, the current number of staff, average caseload per attorney, and the local funding that supports the office of the county prosecutor.

(b) The amount of the grant to each office of a county prosecutor under subdivision (a) is the greater of either of the following and must be adjusted in accordance with subdivisions (c) and (d) as needed:

(*i*) The amount received under section 991 of article 5 of 2023 PA 119.

(*ii*) An amount equal to the product of $7.50 multiplied by the population of the county in which the office of the county prosecutor is located, according to the most recent federal decennial census.

(c) If there is any money remaining after determining the initial grant award amounts under subdivision (b), each office of county prosecutor that meets all the requirements of subdivision (a) must be awarded an additional amount determined by dividing the remaining amount of funding available by the sum of the populations of each county that meets all the requirements of subdivision (a) and then multiplying the quotient by the population of that county.

(d) If the total amount appropriated does not support the full grant amounts determined under subdivision (b), then the amount awarded to each county prosecutor that meets all of the requirements of subdivision (a) must be reduced. The amount reduced must be determined by dividing the total amount determined under subdivision (b) that exceeds the appropriation amount under subdivision (a) by the sum of the population of each county that meets all the requirements under subdivision (a) and then multiplying the quotient by the population of that county.

(e) The department of treasury shall not use any of the funds appropriated under this subsection for administration.

(f) Not later than August 31, the department of treasury shall submit a report to the standard report recipients that includes all of the following:

(*i*) A listing of all the offices of a county prosecutor that received a grant under this subsection.

(*ii*) The information required under subdivision (a)(*iv*).

(*iii*) The amount awarded to each office of a county prosecutor described under subdivision (a), including either of the following, if applicable:

(A) The amount of any increase under subdivision (c).

(B) The amount of any reduction under subdivision (d).

(2) $8,000,000.00 must be distributed by the department of treasury to local units of government to assist with purchasing fire equipment or fire gear for firefighters. From this amount, at least $4,000,000.00 must be distributed to local units of government with predominately on-call, part-time, or volunteer fire departments. The department of treasury shall award grants to local units of government on a competitive basis. Local units of government must submit a grant application in a form and manner determined by the department of treasury. An application must include a proposed budget designating that any awarded funds will be used to support only costs for purchasing fire equipment or fire gear for firefighters that are on-call, part-time, or volunteer. Grant funding for a single local unit of government under this subsection must not exceed $50,000.00. As used in this subsection:

(a) "Firefighter" means that term as defined in section 2 of the firefighters training council act, 1966 PA 291, MCL 29.362.

(b) "Fire department" means an organized fire department as that term is defined in section 1 of the fire prevention code, 1941 PA 207, MCL 29.1.

(c) "Fire equipment" includes, but is not limited to, cardiac monitors for advanced life support; extrication equipment; ventilation equipment, including, but not limited to, fans, saws, chainsaws, rotary saws, axes, and pike polls. Fire equipment does not include turnout gear or personal protection equipment.

(d) "Full-time" means that term as defined in section 2 of the firefighters training council act, 1966 PA 291, MCL 29.362. Full-time does not include part-paid time or nonpaid time.

(e) "Local unit of government" means a city, village, township, or tribal government or an authority or commission established by a county, village, city, or township by resolution, motion, or charter.

(f) "Paid on-call" means that term as defined in section 2 of the firefighters training council act, 1966 PA 291, MCL 29.362. Paid on-call includes part-paid time.

(g) "Part-time" means that term as defined in section 2 of the firefighters training council act, 1966 PA 291, MCL 29.362. Part-time includes part-paid time.

(h) "Predominately on-call, part-time or volunteer" means a fire department where more than 50% of the firefighters are part time, volunteer, or paid on-call firefighters and registered as having more than 50% nonpaid or part-paid firefighters as described in the fire service directory established by MDLARA under the fire prevention code, 1941 PA 207, MCL 29.1 to 29.33.

(i) "Tribal Government" means the government of any Indian tribe, band, nation, or other organized group or community of Indians that is recognized as eligible by the United States Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as Indians and is recognized as possessing powers of self-government.

(j) "Volunteer" means that term as defined in section 2 of the firefighters training council act, 1966 PA 291, MCL 29.362.

(k) "Volunteer firefighter" or "paid on-call firefighter" means that term as defined in section 2 of the firefighters training council act, 1966 PA 291, MCL 29.362. Volunteer firefighter or paid on-call firefighter includes a nonpaid firefighter. Volunteer or paid on-call firefighter does not include full-time firefighters.

(3) The unexpended funds appropriated in part 1 for public safety constituency grants are designated as a work project appropriation. Unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures under this section 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 provide funding to county prosecutor offices and for firefighter equipment grants.

(b) The project will be accomplished by utilizing state employees, contracts with vendors, or local partners.

(c) The estimated cost of the project is $25,000,000.00.

(d) The tentative completion date is September 30, 2030.

Sec. 992. (1) From the funds appropriated in part 1 for public safety revenue sharing grants, the department of treasury shall distribute revenues as provided for in subsections (2) and (3) and as follows:

(a) $10,000,000.00 for a public safety academy assistance grant program. The funds appropriated under this subsection must be used by the Michigan commission on law enforcement standards to do all of the following:

(*i*) Administer a competitive public safety academy assistance scholarship program that provides police academy scholarships of not more than $20,000.00 per recruit on a first-come, first-served basis to an individual who meets the requirements of subdivision (b) and any necessary requirements to enroll in a police academy program.

(*ii*) Pay the salaries of training academy recruits from local public safety agencies or to pay the salaries of police cadets who are receiving tuition assistance under subparagraph (*i*), and academy tuition and eligible related costs as determined by the Michigan commission on law enforcement standards.

(b) In order to receive a scholarship under subdivision (a), an individual must have applied to at least 1 law enforcement basic training academy approved by the Michigan commission on law enforcement standards, have completed an interview, and received approval for the scholarship from the public safety agency that the individual intends to serve.

(c) For the purposes of subdivision (a), not more than 25 scholarships may be approved for a particular public safety agency.

(d) The Michigan commission on law enforcement standards may use not more than $140,000.00 for administration of the scholarship program established and administered by the Michigan commission on law enforcement standards under subdivision (a).

(e) The Michigan commission on law enforcement standards may set any necessary additional requirements for the distribution of the funds disbursed under subdivision (a).

(2) $7,500,000.00 must be distributed to cities, villages, and townships for public safety assistance payments as described in section 959(1)(b).

(3) $2,500,000.00 must be distributed to counties for public safety assistance payments as described in section 959(9).

(4) The unexpended funds appropriated in part 1 for public safety revenue sharing grants are designated as a work project appropriation. Unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditure under this section 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 provide public safety revenue sharing grants.

(b) The project will be accomplished by utilizing state employees, contracts with vendors, or local partners.

(c) The estimated cost of the project is $20,000,000.00.

(d) The tentative completion date is September 30, 2030.

STATE BUILDING AUTHORITY

Sec. 1100. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and on the approval of the state building authority, the department of treasury may expend from the general fund of this state during the fiscal year an amount necessary 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 an appropriations PA that is effective for the immediately preceding fiscal year. Any general fund advances for which state building authority bonds have not been issued must bear an interest cost to the state building authority at a rate that is not greater than the rate 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 this state.

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

(3) For state building authority projects for which bonds or notes have been issued and on 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. The state building authority shall reimburse the state treasurer for the advances when the investments earmarked for the financing of the projects mature.

(4) If 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 must be repaid to the general fund in a manner recommended by the director of the state building authority.

Sec. 1102. (1) The state building authority shall not release state building authority funding to a university or community college to finance the construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility unless the university or community college agrees to use that excess revenue to reimburse the state building authority. The excess revenue received by the state building authority as reimbursement must be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for the applicable facility. The auditor general shall annually identify and audit the facilities that are subject to this section. Costs associated with the administration of the audit must be charged against money received by the state building authority as reimbursement under 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. 1103. Not later than October 15, the state building authority shall submit a report to the standard report recipients and the JCOS regarding the status of construction projects associated with state building authority bonds as of the end of the immediately preceding fiscal year. Not later than 30 days after a refinancing or restructuring bond issue is sold, the state building authority shall submit a report to the standard report recipients and the JCOS regarding the status of construction projects associated with that bond issue. Each report must include all of 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.

REVENUE STATEMENT

Sec. 1201. In accordance with 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 2025-2026

	Beginning Balance	Estimated Revenue	Ending Balance
OPERATING FUNDS			
General fund/general purpose	721.6	14,650.4	11.7
School aid fund	1,002.6	18,891.4	18.6
Federal aid	0.0	28,767.0	0.0
Transportation funds	0.0	8,583.1	0.0
Special revenue funds	2,788.3	8,824.6	2,103.8
Other funds	2,144.7	129.0	2,273.7
TOTALS	$6,657.2	$79,845.5	$4,407.8

ARTICLE 6

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	15,108.5		
Average population	798.0		
GROSS APPROPRIATION		**$**	**30,025,568,200**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			15,448,000
ADJUSTED GROSS APPROPRIATION		**$**	**30,010,120,200**
Federal revenues:			
Capped federal revenues			527,619,500
Social security act, temporary assistance for needy families			592,213,400
Total other federal revenues			19,656,273,800
Special revenue funds:			
Total local revenues			183,204,100
Total private revenues			178,884,400
Michigan merit award trust fund			86,768,700
Total other state restricted revenues			1,652,908,800
State general fund/general purpose		**$**	**7,132,247,500**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	1,012.4		
Unclassified salaries—FTEs	6.0	$	1,474,500
Administrative hearings officers			9,457,100
Child welfare institute—FTEs	58.0		9,962,700
Coordinated children's healthcare policy and supports—FTEs	74.0		22,663,300
Demonstration projects—FTEs	7.0		6,776,900
Departmental administration and management—FTEs	646.4		109,337,700
Legal services			100,000
Office of inspector general—FTEs	203.0		29,590,100
Property management			65,006,000
Terminal leave payments			7,091,300
Training and program support—FTEs	24.0		3,660,200
Worker's compensation			7,922,300
GROSS APPROPRIATION		**$**	**273,042,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of lifelong education, advancement, and potential			1,868,400
IDG from department of technology, management, and budget - office of retirement services			600
Federal revenues:			
Social security act, temporary assistance for needy families			27,517,900
Capped federal revenues			19,662,400
Total other federal revenues			90,086,100
Special revenue funds:			
Total local revenues			86,000
Total private revenues			4,063,300
Total other state restricted revenues			1,340,000
State general fund/general purpose		**$**	**128,417,400**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 103. CHILD SUPPORT ENFORCEMENT			
Full-time equated classified positions	186.7		
Child support enforcement operations—FTEs	180.7	$	30,634,900
Child support incentive payments			24,409,600
Legal support contracts			132,600,300
State disbursement unit—FTEs	6.0		7,391,200
GROSS APPROPRIATION		**$**	**195,036,000**
Appropriated from:			
Federal revenues:			
Capped federal revenues			16,273,100
Total other federal revenues			153,119,700
State general fund/general purpose		**$**	**25,643,200**
Sec. 104. COMMUNITY SERVICES AND OUTREACH			
Full-time equated classified positions	53.0		
Bureau of community services and outreach—FTEs	24.0	$	3,622,700
Community services and outreach administration—FTEs	17.0		6,865,900
Community services block grant			37,170,600
Diaper assistance grant			6,404,400
Homeless programs—FTE	1.0		34,782,100
Housing and support services			13,031,000
Kids' food basket			525,000
Runaway and homeless youth grants			13,126,100
School success partnership program			1,525,000
Senior university			400,000
Weatherization assistance			21,860,300
Weatherization assistance IIJA—FTEs	11.0		40,013,700
GROSS APPROPRIATION		**$**	**179,326,800**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			31,150,400
Capped federal revenues			109,646,900
Total other federal revenues			14,360,100
State general fund/general purpose		**$**	**24,169,400**
Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD WELFARE			
Full-time equated classified positions	3,813.2		
Adoption subsidies		$	233,486,300
Adoption support services—FTEs	10.0		41,917,700
Attorney general contract			5,191,100
Child abuse and neglect - children's justice act—FTE	1.0		630,100
Child care fund			307,889,100
Child care fund - indirect cost allotment			3,500,000
Child protection			2,050,300
Child welfare administration travel			390,000
Child welfare licensing—FTEs	53.0		7,680,900
Child welfare local office staff - noncaseload compliance—FTEs	353.0		43,144,700
Child welfare medical/psychiatric evaluations			7,928,500
Children's protective services - caseload staff—FTEs	1,461.0		176,223,900
Children's protective services supervisors—FTEs	387.0		50,201,200
Children's services administration—FTEs	205.2		29,166,900
Children trust Michigan—FTEs	12.0		5,208,200
Contractual services, supplies, and materials			9,852,000
Court-appointed special advocates			2,250,000
Education planners—FTEs	15.0		1,995,400
Family preservation and prevention services administration—FTEs	9.0		1,443,400

			For Fiscal Year Ending Sept. 30, 2026
Family preservation programs—FTEs	34.0		60,586,300
Foster care payments		$	357,906,200
Foster care services - caseload staff—FTEs	838.0		101,190,300
Foster care services supervisors—FTEs	227.0		32,351,400
Guardianship assistance program			13,083,500
Interstate compact			179,600
Peer coaches—FTEs	45.5		6,579,600
Permanency resource managers—FTEs	28.0		3,666,600
Prosecuting attorney contracts			8,142,800
Second line supervisors and technical staff—FTEs	126.0		20,609,200
Settlement monitor			2,709,800
Strong families/safe children			11,100,000
Title IV-E compliance and accountability office—FTEs	4.0		477,200
Youth in transition—FTEs	4.5		8,202,200
GROSS APPROPRIATION		**$**	**1,556,934,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of lifelong education, advancement, and potential			244,400
Federal revenues:			
Social security act, temporary assistance for needy families			293,208,200
Capped federal revenues			103,713,900
Total other federal revenues			279,743,000
Special revenue funds:			
Local funds - county chargeback			45,457,000
Private - collections			1,226,900
Children's trust fund			2,895,300
Total other state restricted revenues			3,500,000
State general fund/general purpose		**$**	**826,945,700**
Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE			
Full-time equated classified positions	190.5		
Bay Pines Center—FTEs	53.0	$	7,706,100
Committee on juvenile justice administration—FTEs	2.5		372,200
Committee on juvenile justice grants			3,000,000
Community support services—FTEs	3.0		2,520,200
County juvenile officers			3,977,600
Juvenile justice, administration and maintenance—FTEs	21.0		5,551,900
Michigan youth treatment center—FTEs	111.0		16,260,600
GROSS APPROPRIATION		**$**	**39,388,600**
Appropriated from:			
Federal revenues:			
Capped federal revenues			7,754,800
Total other federal revenues			268,200
Special revenue funds:			
Local funds - state share education funds			1,527,500
Local funds - county chargeback			10,484,300
State general fund/general purpose		**$**	**19,353,800**
Sec. 107. PUBLIC ASSISTANCE			
Full-time equated classified position	1.0		
Emergency services local office allocations		$	14,313,500
Family independence program			67,315,300
Family independence program - clothing allowance			10,000,000
Family independence program - child supplemental payment			23,240,100
Food assistance program benefits			3,499,778,300
Indigent burial			2,684,700

			For Fiscal Year Ending Sept. 30, 2026
Low-income home energy assistance program		$	174,951,600
Michigan agricultural surplus system			12,045,000
Michigan energy assistance program—FTE	1.0		100,000,000
Prenatal and infant support program			20,000,000
Refugee assistance program			7,954,200
State disability assistance payments			5,060,500
State supplementation			55,415,900
GROSS APPROPRIATION		**$**	**3,992,759,100**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			118,727,800
Capped federal revenues			182,905,800
Total other federal revenues			3,495,068,300
Special revenue funds:			
Child support collections			8,162,100
Low-income energy assistance fund			100,000,000
Public assistance recoupment revenue			4,793,300
Supplemental security income recoveries			2,001,800
State general fund/general purpose		**$**	**81,100,000**
Sec. 108. LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES			
Full-time equated classified positions	5,506.5		
Administrative support workers—FTEs	127.0	$	15,197,400
Adult services local office staff—FTEs	550.0		69,864,200
Contractual services, supplies, and materials			31,501,000
Donated funds positions—FTEs	159.0		29,662,100
Elder Law of Michigan MiCAFE contract			450,000
Electronic benefit transfer (EBT)			8,214,000
Employment and training support services			3,869,100
Food assistance reinvestment—FTEs	16.0		3,809,400
Local office policy and administration—FTEs	122.0		21,488,400
Local office staff travel			8,327,400
Medical/psychiatric evaluations			1,120,100
Public assistance local office staff—FTEs	4,532.5		536,748,600
SSI advocacy legal services grant			975,000
GROSS APPROPRIATION		**$**	**731,226,700**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of corrections			120,200
IDG from department of lifelong education, advancement, and potential			8,303,900
Federal revenues:			
Social security act, temporary assistance for needy families			73,188,000
Capped federal revenues			55,323,500
Total other federal revenues			258,462,800
Special revenue funds:			
Local funds - donated funds			4,413,300
Private funds - donated funds			10,101,100
Private revenues			250,000
State general fund/general purpose		**$**	**321,063,900**
Sec. 109. DISABILITY DETERMINATION SERVICES			
Full-time equated classified positions	628.4		
Disability determination operations—FTEs	624.3	$	124,435,800
Retirement disability determination—FTEs	4.1		650,800
GROSS APPROPRIATION		**$**	**125,086,600**

			For Fiscal Year Ending Sept. 30, 2026
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of technology, management, and budget - office of retirement services			827,400
Federal revenues:			
Total other federal revenues			121,539,300
State general fund/general purpose		**$**	**2,719,900**
Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS			
Full-time equated classified positions	99.0		
Behavioral health program administration—FTEs	59.0	$	51,245,600
Community substance use disorder prevention, education, and treatment—FTEs	9.0		79,207,900
Family support subsidy			16,290,400
Federal and other special projects			2,535,600
Gambling addiction—FTEs	4.0		9,530,100
Mental health diversion council			3,850,000
Michigan clinical consultation and care			5,289,000
Office of recipient rights—FTEs	25.0		3,563,200
Opioid response activities—FTEs	2.0		122,157,200
Protection and advocacy services support			194,400
GROSS APPROPRIATION		**$**	**293,863,400**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			16,290,400
Total other federal revenues			162,602,700
Special revenue funds:			
Total private revenues			2,704,700
Total other state restricted revenues			67,380,100
State general fund/general purpose		**$**	**44,885,500**
Sec. 111. BEHAVIORAL HEALTH SERVICES			
Full-time equated classified positions	15.0		
Autism services		$	467,644,200
Behavioral health community supports and services—FTEs	11.0		42,072,800
Certified community behavioral health clinic demonstration			916,062,700
Civil service charges			297,500
Community mental health non-Medicaid services			125,578,200
Federal mental health block grant—FTEs	4.0		24,483,900
Health homes			50,239,800
Healthy Michigan plan - behavioral health			438,267,500
Medicaid mental health services			3,188,847,900
Medicaid substance use disorder services			96,323,300
Multicultural integration funding			17,284,900
Nursing home PAS/ARR-OBRA			15,213,600
State disability assistance program substance use disorder services			2,018,800
GROSS APPROPRIATION		**$**	**5,384,335,100**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			421,000
Capped federal revenues			184,500
Total other federal revenues			3,678,625,800
Special revenue funds:			
Total local revenues			9,943,600
Total other state restricted revenues			560,000
State general fund/general purpose		**$**	**1,694,600,200**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES			
Full-time equated classified positions	2,158.6		
Average population	798.0		
Caro Regional Mental Health Center - psychiatric hospital - adult—FTEs	432.7	$	66,322,100
Average population	145.0		
Center for forensic psychiatry—FTEs	624.5		114,162,800
Average population	240.0		
Developmental disabilities council and projects—FTEs	10.0		3,221,100
Gifts and bequests for patient living and treatment environment			1,000,000
IDEA, federal special education			120,000
Kalamazoo Psychiatric Hospital - adult—FTEs	473.2		69,704,600
Average population	170.0		
Purchase of medical services for residents of hospitals and centers			445,600
Revenue recapture			750,100
Southeast Michigan state psychiatric hospital - psychiatric hospital - adult, children, and adolescents			100
Special maintenance			924,600
State hospital administration—FTEs	34.0		5,801,900
Walter P. Reuther Psychiatric Hospital - adult, children, and adolescents—FTEs	584.2		119,200,400
Average population	243.0		
GROSS APPROPRIATION		**$**	**381,653,300**
Appropriated from:			
Federal revenues:			
Total other federal revenues			47,027,600
Special revenue funds:			
Total local revenues			23,283,200
Total private revenues			1,000,000
Total other state restricted revenues			19,189,200
State general fund/general purpose		**$**	**291,153,300**
Sec. 113. HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES			
Full-time equated classified positions	79.3		
Certificate of need program administration—FTEs	11.3	$	2,764,600
Child advocacy centers			1,407,000
Child advocacy centers - supplemental grants			2,000,000
Community health programs—FTEs	5.0		17,500,000
Crime victim grants administration services—FTEs	15.0		3,121,100
Crime victim justice assistance grants			78,579,300
Crime victim rights services grants			19,869,900
Crime victim rights sustaining grants—FTEs	2.0		30,000,000
Domestic violence prevention and treatment—FTEs	15.6		20,295,200
Human trafficking intervention services—FTE	1.0		200,000
Michigan essential health provider			3,519,600
Minority health grants and contracts—FTEs	3.0		1,163,200
Nurse education and research program—FTEs	3.0		828,300
Policy and planning administration—FTEs	19.9		2,955,300
Primary care services—FTEs	3.0		3,812,000
Rape prevention and services—FTE	0.5		7,097,300
Rural health services			175,000
Uniform statewide sexual assault evidence kit tracking system			369,500
GROSS APPROPRIATION		**$**	**195,657,300**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of licensing and regulatory affairs			828,300

			For Fiscal Year Ending Sept. 30, 2026
IDG from department of lifelong education, advancement, and potential			2,400
IDG from department of treasury, Michigan finance authority			117,700
Federal revenues:			
Social security act, temporary assistance for needy families			6,736,000
Capped federal revenues			11,597,900
Total other federal revenues			86,288,100
Special revenue funds:			
Total private revenues			855,000
Child advocacy centers fund			1,407,000
Compulsive gaming prevention fund			1,040,500
Crime victims rights fund			18,798,200
Sexual assault victims' prevention and treatment fund			3,000,000
Total other state restricted revenues			3,335,400
State general fund/general purpose		**$**	**61,650,800**
Sec. 114. EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY			
Full-time equated classified positions	448.9		
Bioterrorism preparedness—FTEs	53.0	$	31,131,300
Childhood lead program—FTEs	4.5		2,351,200
Emergency medical services program—FTEs	27.0		7,188,500
Epidemiology administration—FTEs	73.5		26,963,000
Healthy homes program—FTEs	65.0		53,602,700
Laboratory services—FTEs	102.0		31,655,300
Newborn screening follow-up and treatment services—FTEs	10.5		10,202,600
PFAS and environmental contamination response—FTEs	43.0		18,614,600
Vital records and health statistics—FTEs	70.4		11,719,800
GROSS APPROPRIATION		**$**	**193,429,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of environment, Great Lakes, and energy			2,525,000
Federal revenues:			
Total other federal revenues			79,095,500
Special revenue funds:			
Total private revenues			1,342,600
Total other state restricted revenues			33,832,700
State general fund/general purpose		**$**	**76,633,200**
Sec. 115. LOCAL HEALTH AND ADMINISTRATIVE SERVICES			
Full-time equated classified positions	193.6		
AIDS prevention, testing, and care programs—FTEs	79.0	$	110,924,100
Cancer prevention and control program—FTEs	18.0		15,939,900
Chronic disease control and health promotion administration—FTEs	28.4		12,490,100
Diabetes and kidney program—FTEs	8.0		4,217,400
Essential local public health services			81,419,300
Implementation of 1993 PA 133, MCL 333.17015			20,000
Local health services—FTEs	4.3		9,029,400
Medicaid outreach cost reimbursement to local health departments			12,500,000
Public health administration—FTEs	9.0		2,316,400
Sexually transmitted disease control program—FTEs	20.0		8,585,900
Smoking prevention program—FTEs	15.0		7,187,900
Violence prevention—FTEs	11.9		14,078,900
GROSS APPROPRIATION		**$**	**278,709,300**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			2,300

			For Fiscal Year Ending Sept. 30, 2026
Total other federal revenues		$	90,986,400
Special revenue funds:			
Total local revenues			10,150,000
Total private revenues			74,556,600
Total other state restricted revenues			11,966,800
State general fund/general purpose		**$**	**91,047,200**
Sec. 116. FAMILY HEALTH SERVICES			
Full-time equated classified positions	136.6		
Child and adolescent health care and centers		$	41,242,700
Dental programs—FTEs	5.3		7,933,300
Drinking water declaration of emergency			3,971,000
Family, maternal, and child health administration—FTEs	49.0		10,429,800
Family planning local agreements			15,810,700
Immunization program—FTEs	20.8		19,933,400
Local MCH services			7,018,100
Pregnancy prevention program			1,297,900
Prenatal care outreach and service delivery support—FTEs	19.5		42,440,700
Special projects			6,789,100
Sudden and unexpected infant death and suffocation prevention program			321,300
Women, infants, and children program administration and special projects—FTEs	42.0		19,768,700
Women, infants, and children program local agreements and food costs			251,285,000
GROSS APPROPRIATION		**$**	**428,241,700**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			500,000
Total other federal revenues			269,297,000
Special revenue funds:			
Total local revenues			42,817,700
Total private revenues			64,785,700
Total other state restricted revenues			3,270,500
State general fund/general purpose		**$**	**47,570,800**
Sec. 117. CHILDREN'S SPECIAL HEALTH CARE SERVICES			
Full-time equated classified positions	51.8		
Bequests for care and services—FTEs	9.8	$	2,394,700
Children's special health care services administration—FTEs	42.0		9,285,200
Medical care and treatment			411,929,200
Outreach and advocacy			6,722,200
GROSS APPROPRIATION		**$**	**430,331,300**
Appropriated from:			
Federal revenues:			
Total other federal revenues			230,954,400
Special revenue funds:			
Total private revenues			1,025,200
Total other state restricted revenues			4,579,400
State general fund/general purpose		**$**	**193,772,300**
Sec. 118. AGING SERVICES			
Community services		$	59,047,200
Employment assistance			3,500,000
Nutrition services			50,004,200
Respite care program			7,268,700
Senior volunteer service programs			4,765,300
GROSS APPROPRIATION		**$**	**124,585,400**
Appropriated from:			
Federal revenues:			
Total other federal revenues			67,787,400

			For Fiscal Year Ending Sept. 30, 2026
Special revenue funds:			
Total private revenues		$	300,000
Michigan merit award trust fund			4,068,700
Total other state restricted revenues			2,800,000
State general fund/general purpose		**$**	**49,629,300**
Sec. 119. HEALTH AND AGING SERVICES ADMINISTRATION			
Full-time equated classified positions	523.0		
Aging services administration—FTEs	43.0	$	9,697,700
Health services administration—FTEs	480.0		133,182,800
GROSS APPROPRIATION		**$**	**142,880,500**
Appropriated from:			
Federal revenues:			
Total other federal revenues			92,642,900
Special revenue funds:			
Total local revenues			37,700
Total private revenues			1,721,300
Total other state restricted revenues			336,300
State general fund/general purpose		**$**	**48,142,300**
Sec. 120. HEALTH SERVICES			
Adult home help services		$	595,150,700
Ambulance services			25,000,500
Auxiliary medical services			5,819,200
Dental clinic program			1,000,000
Dental services			328,242,000
Federal Medicare pharmaceutical program			389,029,800
Federally qualified health centers			125,514,100
Health plan services			3,509,255,900
Healthy Michigan plan			2,362,533,800
Home health services			5,891,400
Hospice services			198,455,700
Hospital services and therapy			368,558,700
Integrated care organizations			438,634,200
Long-term care services			2,634,382,500
Maternal and child health			36,553,100
Medicaid home- and community-based services waiver			557,568,300
Medicare premium payments			1,016,980,600
Personal care services			4,994,500
Pharmaceutical services			388,783,200
Physician services			221,272,700
Program of all-inclusive care for the elderly			288,918,800
Rural health transformation program			250,000,000
School-based services			225,919,400
Special Medicaid reimbursement			341,750,400
Transportation			20,840,900
GROSS APPROPRIATION		**$**	**14,341,050,400**
Appropriated from:			
Federal revenues:			
Total other federal revenues			10,075,797,200
Special revenue funds:			
Total local revenues			35,003,800
Total private revenues			9,702,000
Michigan merit award trust fund			82,700,000
Total other state restricted revenues			1,279,959,800
State general fund/general purpose		**$**	**2,857,887,600**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 121. INFORMATION TECHNOLOGY			
Full-time equated classified positions	11.0		
Bridges information system—FTEs	10.0	$	123,932,600
Child support automation			45,101,900
Comprehensive child welfare information system			8,750,300
Information technology services and projects			231,695,000
Michigan Medicaid information system—FTE	1.0		104,020,300
Michigan statewide automated child welfare information system			22,474,200
GROSS APPROPRIATION		**$**	**535,974,300**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of lifelong education, advancement, and potential			609,700
Federal revenues:			
Social security act, temporary assistance for needy families			24,471,400
Capped federal revenues			20,556,700
Total other federal revenues			337,214,400
Special revenue funds:			
Total private revenues			5,250,000
Total other state restricted revenues			2,010,400
State general fund/general purpose		**$**	**145,861,700**
Sec. 122. ONE-TIME APPROPRIATIONS			
Behavioral health statewide supports		$	5,108,700
Career and workforce readiness wraparound services			750,000
Cellular therapy			750,000
Community health screenings			5,000,000
Community violence prevention - community grant program			1,800,000
Cranial hair prothesis			125,000
Crime victim's rights sustaining grants			5,000,000
Delayed cognition/fine motor skills checklist toolkit			500,000
Dementia support			408,600
Dental clinic			2,900,000
Dental safety net providers - stabilization payments			4,000,000
Electronic benefit transfer reinvestment			16,000,000
Federally-qualified health centers - training program			2,000,000
Food assistance program reinvestment			30,000,000
Foster care program			2,025,000
Homeless shelter capital and infrastructure costs			2,000,000
Hospital infrastructure			10,000,000
Implementation of maternal health policy changes			299,700
Kids' food basket			1,000,000
Liver screening pilot project			250,000
Maternal-fetal medicine programming			1,500,000
Medicaid blood pressure monitors			1,225,100
Medicaid children's rehabilitation services			1,000,000
Medicaid funding for freestanding birth centers and licensed midwives			2,881,800
Medicaid outreach			950,000
Mothers in foster care - wraparound services program			250,000
Multicultural integration funding			8,600,000
National association of Yemeni Americans			800,000
Opioid response activities			76,750,000
Payments to cover after school and extracurriculars for foster care children			758,000
Permanent supportive housing			5,000,000
Revive health clinic			300,000
Suicide prevention council			125,000

		For Fiscal Year Ending Sept. 30, 2026
Trauma recovery center pilot program	$	2,000,000
Underserved healthcare facility project		1,500,000
University DSH backfill		3,500,000
Water affordability		5,000,000
GROSS APPROPRIATION	**$**	**202,056,900**
Appropriated from:		
Federal revenues:		
Total other federal revenues		25,306,900
Special revenue funds:		
Michigan opioid healing and recovery fund		76,750,000
State general fund/general purpose	**$**	**100,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the current fiscal year, total state spending under part 1 from state sources is $8,871,925,000.00 and state spending under part 1 from state sources to be paid to local units of government is $2,096,123,300.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES		
CHILD SUPPORT ENFORCEMENT		
Child support incentive payments	$	9,570,000
Legal support contracts		1,300
COMMUNITY SERVICES AND OUTREACH		
Homeless programs		10,000
Housing and support services		124,700
CHILDREN'S SERVICES AGENCY – CHILD WELFARE		
Child care fund		163,181,200
Child care fund - indirect cost allotment		3,500,000
Child welfare licensing		69,300
Children trust Michigan		62,600
Contractual services, supplies, and materials		10,800
Foster care payments		3,629,600
Prosecuting attorney contracts		1,269,100
Strong families/safe children		62,600
CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE		
Bay Pines Center		50,500
Community support services		334,400
County juvenile officers		73,300
PUBLIC ASSISTANCE		
Emergency services local office allocations		2,200,000
Indigent burial		2,900
Michigan energy assistance program		400,000
State disability assistance payments		161,000
LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES		
Contractual services, supplies, and materials		93,000
Employment and training support services		5,700
DISABILITY DETERMINATION SERVICES		
Disability determination operations		2,000

	For Fiscal Year Ending Sept. 30, 2026
BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS	
Behavioral health program administration	$ 102,000
Community substance use disorder prevention, education, and treatment	8,737,400
Mental health diversion council	255,100
Opioid response activities	2,393,500
BEHAVIORAL HEALTH SERVICES	
Autism services	150,699,000
Behavioral health community supports and services	160,700
Certified community behavioral health clinic demonstration	201,533,900
Community mental health non-Medicaid services	125,578,200
Health homes	4,444,700
Healthy Michigan plan - behavioral health	43,826,800
Medicaid mental health services	1,052,319,800
Medicaid substance use disorder services	33,713,100
Multicultural integration funding	1,064,400
Nursing home PAS/ARR-OBRA	4,476,100
State disability assistance program substance use disorder services	1,807,300
STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES	
Caro Regional Mental Health Center - psychiatric hospital – adult	198,600
Center for forensic psychiatry	749,600
Kalamazoo Psychiatric Hospital - adult	63,600
Walter P. Reuther Psychiatric Hospital – adult, children, and adolescents	106,400
HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES	
Crime victim rights services grants	11,593,000
Domestic violence prevention and treatment	170,700
Primary care services	79,900
EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY	
Emergency medical services program	3,800
Epidemiology administration	459,100
Healthy homes program	1,233,400
PFAS and environmental contamination response	200
LOCAL HEALTH AND ADMINISTRATIVE SERVICES	
AIDS prevention, testing, and care programs	2,708,200
Cancer prevention and control program	43,700
Essential local public health services	75,932,300
Local health services	1,996,400
Public health administration	100
Sexually transmitted disease control program	778,100
Smoking prevention program	242,900
FAMILY HEALTH SERVICES	
Drinking water declaration of emergency	126,900
Family planning local agreements	224,000
Immunization program	2,155,600
Pregnancy prevention program	65,000
Prenatal care outreach and service delivery support	8,612,100
CHILDREN'S SPECIAL HEALTH CARE SERVICES	
Medical care and treatment	1,101,500
Outreach and advocacy	2,708,200
AGING SERVICES	
Community services	32,428,100
Nutrition services	12,849,100
Respite care program	5,800,000
Senior volunteer service programs	954,100

		For Fiscal Year Ending Sept. 30, 2026
HEALTH SERVICES		
Adult home help services	$	82,100
Ambulance services		848,600
Dental services		869,600
Healthy Michigan plan		346,100
Hospital services and therapy		231,500
Long-term care services		95,276,900
Medicaid home- and community-based services waiver		15,952,100
Personal care services		14,900
Physician services		2,698,600
Transportation		492,300
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	**$**	**2,096,123,300**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "CCBHC" means certified community behavioral health clinic.

(c) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(d) "CMS" means the Centers for Medicare and Medicaid Services.

(e) "CPT" means current procedural terminology.

(f) "Current fiscal year" means the fiscal year ending September 30, 2026.

(g) "Department" means the department of health and human services.

(h) "Director" means the director of the department.

(i) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(j) "Federal poverty level" means the poverty guidelines revised periodically and published in the Federal Register by the Secretary of the United States Department of Health and Human Services under the Secretary's authority to revise the poverty line under 42 USC 9902.

(k) "FQHC" means federally qualified health center.

(*l*) "FTE" means full-time equated.

(m) "GME" means graduate medical education.

(n) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.

(o) "HEDIS" means health care effectiveness data and information set.

(p) "HMO" means health maintenance organization.

(q) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.

(r) "IDG" means interdepartmental grant.

(s) "MCH" means maternal and child health.

(t) "Medicaid" means subchapter XIX of the social security act, 42 USC 1396 to 1396w-8.

(u) "Medicare" means subchapter XVIII of the social security act, 42 USC 1395 to 1395*lll*.

(v) "MiCAFE" means Michigan's coordinated access to food for the elderly.

(w) "MIChild" means the program described in section 1670 of this part.

(x) "MiSACWIS" means Michigan statewide automated child welfare information system.

(y) "PACE" means program of all-inclusive care for the elderly.

(z) "PAS/ARR-OBRA" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, 42 USC 1396r.

(aa) "PATH" means Partnership. Accountability. Training. Hope.

(bb) "PFAS" means perfluoroalkyl and polyfluoroalkyl substances.

(cc) "PIHP" means an entity designated by the department as a regional entity or a specialty prepaid inpatient health plan for Medicaid mental health services, services to individuals with developmental disabilities, and substance use disorder services. Regional entities are described in section 204b of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid inpatient health plans are described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

(dd) "Previous fiscal year" means the fiscal year ending September 30, 2025.

(ee) "Quarterly basis" means February 1, April 1, July 1, and September 30 of the current fiscal year.

(ff) "Semiannual basis" means March 1 and September 30 of the current fiscal year.

(gg) "Settlement" means the settlement agreement entered in the case of *Dwayne B. v Snyder*, Docket No. 2:06-cv-13548 in the United States District Court for the Eastern District of Michigan.

(hh) "SSI" means supplemental security income.

(ii) "Standard report recipients" means the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house of representatives policy offices, and the state budget office.

(jj) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of subchapter IV of the social security act, 42 USC 601 to 619.

(kk) "Title IV-B" means part B of title IV of the social security act, 42 USC 621 to 629m.

(*ll*) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.

(mm) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

(nn) "Title X" means subchapter VIII of the public health service act, 42 USC 300 to 300a-8, which establishes grants to states for family planning services.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department or agency contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out of state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department or agency shall submit the report to the standard report recipients and to the house of representatives and senate appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393. Federal contingency authorization must not be made available to increase TANF authorization.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $50,000,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $30,000,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $45,000,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) A department or agency shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 214. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 215. If either of the following events occurs, not later than 30 days after the event occurs, the department shall notify the standard report recipients of that fact:

(a) A legislative objective of this part or of a bill or amendment to a bill to amend the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented because implementation would conflict with or violate federal law.

(b) A federal grant for which a notice of an award has been received cannot be used or will not be used.

Sec. 216. (1) 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.

(2) The department's ability to satisfy appropriation fund sources in part 1 is not limited to collections and accruals pertaining to services provided in the current fiscal year and includes reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 217. Not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the detailed names and amounts of estimated federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 for the previous fiscal year. The report must itemize, rather than aggregate, specific revenue sources deposited into the generic statewide integrated governmental management application (SIGMA) fund numbers 1200, 1274, 4000, and 5000.

Sec. 218. As required under part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, the appropriations in part 1 must include the following:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted infection control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

(f) Screening newborn infants for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.

(g) Health and human services annex of the Michigan Emergency Management Plan.

(h) Prenatal care.

(i) Mental health.

Sec. 219. (1) The department may contract with the Michigan Public Health Institute for the design and implementation of projects and for other public health-related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the Michigan Public Health Institute to carry out the activities described in this subsection for up to a 1-year period.

(2) On a semiannual basis, the department shall submit, to the standard report recipients, a report that includes all of the following:

(a) A detailed description of each funded project.

(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.

(c) The expected project duration.

(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(3) On a semiannual basis, the department shall provide, to the standard report recipients, a copy of all reports, studies, and publications produced by the Michigan Public Health Institute, its subcontractors, or the department with the funds appropriated in the department's budget in the previous fiscal year and allocated to the Michigan Public Health Institute.

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that the organizations are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of the organizations or the guiding principles or statements of faith for the organizations.

Sec. 221. In accordance with section 1b of the social welfare act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this part as a time-limited addendum to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

Sec. 222. (1) Not later than 30 days before the implementation date of a major policy change, the department shall report the change to the standard report recipients.

(2) The department shall make the department's entire policy and procedures manual available and accessible to the public on the department's website.

(3) The department shall attach each policy bulletin issued during the previous calendar year to the report under section 248.

Sec. 223. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees are appropriated when received and must be used to offset expenditures for publication printing and mailing, costs of the publications, videos and related materials, conferences, and workshops. The department shall not collect fees under this section that exceed the cost of the expenditures. If collected fees are appropriated under this section in an amount that exceeds the current fiscal year appropriation, not later than 30 days after the collected fee appropriation, the department shall notify the standard report recipients of that fact.

Sec. 224. The department may retain all of this state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections must 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 the investigation and recoupment costs must be applied against the federal funds deducted in the departmental administration and support appropriation unit.

Sec. 225. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 226. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

Sec. 227. If the department receives tobacco tax funds and Healthy Michigan fund revenue from part 1, not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on both of the following activities during the previous fiscal year:

(a) Tobacco tax revenue appropriations in the Medicaid program.

(b) Information for each project implemented with revenue under this section, including all of the following:

(*i*) The project's name.

(*ii*) The appropriation line item and amount.

(*iii*) The project's target population.

(*iv*) A description of the project.

(*v*) The outcomes or accomplishments of the project.

Sec. 228. If the department is authorized under federal law or the law of this state to collect an overpayment owed to the department, beginning 60 days after the initial notification date of the overpayment amount, the department may assess a penalty of 1% per month. If an overpayment is caused by department error, a penalty may be assessed 6 months after the initial notification date of the overpayment amount. The department shall not collect penalty interest in an amount that exceeds the amount of the original overpayment. This state's share of any funds collected under this section must be deposited in the general fund of this state.

Sec. 230. (1) Not later than March 1 and June 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the status of the implementation of any noninflationary, noncaseload, programmatic funding increases in the current fiscal year from the previous fiscal year. The report must confirm the implementation of already-implemented funding increases and provide an explanation for any planned implementation of funding increases that have not yet occurred. For any planned implementation of funding increases that have not yet occurred, the report must include an expected implementation date and the reason for delayed implementation.

(2) For any programmatic funding increases not reported as implemented or in process under subsection (1), the department shall submit, to the standard report recipients, a status update not later than June 1 of the current fiscal year.

Sec. 231. (1) The department shall not expend the funds appropriated in part 1 to enter into any contract with a Medicaid managed care organization of MI Choice Waiver, MI Health Link, MI Coordinated Health, or behavioral health unless the Medicaid managed care organization agrees to do all of the following:

(a) Continue the direct care wage increase funded at $3.40 per hour for the services noted in the department's Medicaid provider letter L 21-76 under the Medicaid managed care organization's relevant program.

(b) Ensure, to the greatest extent possible, that the full amount of funds appropriated for direct care worker wages, except for costs incurred by the employer, including payroll taxes, is provided to direct care workers through maintained increased wages.

(c) Permit a direct care worker to elect, in writing or electronically, to not receive the wage increase provided in this section.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients that includes the following information by program and provider type for the previous fiscal year:

(a) Hours of service that qualified for the direct care worker wage increase.

(b) The aggregate increase in wages attributable to the funding appropriated in part 1.

(c) A comparison of the projected increase included in the capitation rates and the reported amount expended on the wage increase.

Sec. 232. The department shall provide the approved spending plan for each line item receiving an appropriation in the current fiscal year to the senate and house of representatives appropriations subcommittees on the department budget and the senate and house fiscal agencies not later than 60 days after approval by the department or not later than January 15 of the current fiscal year, whichever is earlier. In all places that a line-item appropriation number is listed, a line-item appropriation name must be included. The spending plan must include the following information regarding planned expenditures for each category: allocation in the previous period, change in the allocation, and new allocation. The spending plan must include the following information regarding each revenue source for the line item: category of the fund source indicated by general fund/general purpose, state restricted, local, private, or federal. Figures included in the approved spending plan must not be assumed to constitute the actual final expenditures, as line items may be updated on an as-needed basis to reflect changes in projected expenditures and projected revenue. The department shall supplement the spending plan information by providing a list of all active contracts and grants in the department's contract system. For amounts listed in the other contracts category of each spending plan, the department shall include the name of the line item and the name of the fund source for each contract, grant, and amount for the current fiscal year. For amounts listed in the all other costs category of each spending plan, the department shall provide a list detailing planned expenditures and amounts for the current fiscal year and include the name of the line item and the name of the fund source related to each expenditure and amount.

Sec. 233. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 234. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines

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Sec 235. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of the local health officer.

Sec. 236. (1) The department shall maximize the utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set by the office of state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80 percent or higher, subject to market conditions.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified services is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 237. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 of each year that describes the processes it has developed and implemented under provisions of this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 238. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 239. For behavioral and physical health services provided through managed care or the fee-for-service program, the department shall require, for the nonfacility component of the reimbursement rate, at least the same reimbursement for that service, if that service is provided through telemedicine, as if the service involved face-to-face contact between the health care professional and the patient.

Sec. 240. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 241. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on total actual expenditures in the previous fiscal year for advertising and media outreach, including the purpose, amount, and fund source by program or appropriation line item.

Sec. 242. Not later than March 1 of the current fiscal year, the department shall submit a description of programs report to the standard report recipients. For each program, the report must include the appropriation unit; the line item name and number; the appropriation history; the program name; the program overview; a financing summary; and, where applicable, the program's legal basis, effectiveness, and outcomes.

Sec. 243. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $201,838,700.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $182,045,900.00. Total department appropriations for retiree health care legacy costs are estimated at $19,792,800.00.

Sec. 244. On a quarterly basis, the department shall submit, to the standard report recipients, a report on any line-item appropriation for which the department estimates total annual expenditures would exceed the funds appropriated for the line-item appropriation by 5% or more. The department shall provide a detailed explanation for any relevant line-item appropriation exceedance and identify the corrective actions undertaken to mitigate line-item appropriation expenditures from exceeding the funds appropriated for the line-item appropriation by a greater amount. This section does not apply for line-item appropriations that are part of the May revenue estimating conference caseload and expenditure estimates.

Sec. 245. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 246. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations in this state.

Sec. 247. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 248. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include a reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 250. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money

allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 253. (1) The department shall ensure that each federally recognized tribe is able to apply and compete for services, programs, grants, and contracts.

(2) For competitive grant programs described in this part, each federally recognized tribe is eligible to apply for grant funds made available to organizations exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and to local units of government.

Sec. 263. (1) Except as provided in this subsection, before submission of a waiver, state plan amendment, or similar proposal to CMS or another federal agency, the department shall notify the standard report recipients of the planned submission. This subsection does not apply to the submission of a waiver, state plan amendment, or similar proposal that does not propose a material change or is outside of the ordinary course of a waiver, state plan amendment, or similar proposal.

(2) On a semiannual basis, the department shall submit, to the standard report recipients, a report that summarizes the status of any new or ongoing discussions with CMS, the United States Department of Health and Human Services, or another federal agency regarding any potential or future waiver applications and the status of any submitted waivers that have not yet received federal approval. If there is not a reportable item at the time that a semiannual report is due, a report is not required.

Sec. 264. The department shall not take disciplinary action against an employee of the department for communicating with a member of the senate or house of representatives or a member's staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 270. The department shall advise the legislature of the receipt of a notification from the attorney general's office of a legal action in which expenses had been recovered under section 10b of the social welfare act, 1939 PA 280, MCL 400.610b. If applicable, not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report that includes, but is not limited to, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered, such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

Sec. 274. On the day that is 1 week after the day that the governor submits the executive budget proposal for the ensuing fiscal year to the legislature, the department, in collaboration with the state budget office, shall submit, to the standard report recipients, a report on spending and revenue projections for each of the capped federal funds listed in this subsection. The report must contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections in the executive budget proposal for the immediately ensuing fiscal year for each individual line item for the department budget. The report must also include federal funds transferred to other departments. The capped federal funds include, but are not limited to, all of the following:

(a) TANF.

(b) Title XX social services block grant.

(c) Title IV-B subpart I child welfare services block grant.

(d) Title IV-B subpart II promoting safe and stable families funds.

(e) Low-income home energy assistance program.

Sec. 275. (1) On a quarterly basis, the department, with the approval of the state budget director, is authorized to realign sources between other federal, TANF, and capped federal financing authorizations to maximize federal revenues. The realignment of financing must not produce any of the following:

(a) A gross increase or decrease in the department's total individual line item authorizations.

(b) A net increase or decrease in total federal revenues.

(c) A net increase in TANF authorization.

(2) On a quarterly basis, the department shall submit, to the standard report recipients, a report on the realignment of federal fund sources transacted to date in the current fiscal year under subsection (1), including the dates, line items, and amounts of the transactions. If, at the time a quarterly report is due, a transaction was not made under subsection (1), a report is not required.

(3) Not later than 30 days after the date on which year-end book closing is completed, the department shall submit, to the standard report recipients, a report on the realignment of federal fund sources that took place as part of the year-end closing process for the previous fiscal year.

Sec. 290. Any public advertisement for public assistance must inform the public of the welfare fraud hotline operated by the department.

Sec. 295. Not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on funds appropriated for the healthy moms, healthy babies initiative. The report must include the budgeted amount, year-to-date expenditures, remaining balance of appropriations, and the percent of budget spent for each appropriation related to the initiative. The report must also include information on how the funds have assisted with meeting the goals and outcomes of the initiative.

Sec. 297. On a quarterly basis, the department or agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. From the funds appropriated in part 1 for child welfare institute, the department shall train private child placing agency staff in the pre-service training requirements for child welfare caseworkers and supervisors. Private child placing agency staff must be provided an opportunity to complete the training in a virtual format at the staff's private child placing agency facility. If a private child placing agency prefers a hybrid training format that includes virtual and in-person instruction, the training must be available to the private child placing agency staff.

Sec. 303. From the funds appropriated in part 1 for training and program support, the department shall develop and implement a training program with the requisite materials to assist eligibility specialists in following the verification procedures of Healthy Michigan plan community engagement requirements for the eligibility determination and redetermination processes.

CHILD SUPPORT ENFORCEMENT

Sec. 401. (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 must be retained by this state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, $14,500,000.00 must be paid to counties based on each county's performance level for each of the performance measures under 45 CFR 305.2.

(4) If the child support incentive payment to this state from the federal government is greater than $26,500,000.00, then 100% of the amount in excess must be retained by this state and is appropriated until the total retained by this state reaches $15,397,400.00.

(5) If the child support incentive payment to this state from the federal government is greater than the amount needed to satisfy subsections (1), (2), (3), and (4), the additional funds are subject to appropriation by the legislature.

(6) If the child support incentive payment to this state from the federal government is less than $26,500,000.00, then the state share and the county share must each be reduced by 50% of the shortfall.

Sec. 409. (1) If statewide retained child support collections exceed $38,300,000.00, 75% of the amount in excess of $38,300,000.00 is appropriated to legal support contracts. The excess appropriation may be distributed to eligible counties to supplement, but not supplant, county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current fiscal year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess appropriation.

Sec. 410. (1) 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. The 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 45 CFR 304.50.

(2) Not later than 30 days after an adjustment under subsection (1), the department shall notify the standard report recipients of the adjustment.

COMMUNITY SERVICES AND OUTREACH

Sec. 450. (1) From the funds appropriated in part 1 for school success partnership program, not later than December 1 of the current fiscal year, the department shall allocate $1,525,000.00 of TANF revenue to support Northeast Michigan Community Service Agency programming. The department shall require the Northeast Michigan Community Service Agency to measure and report the following performance objectives for the duration of the state funding for the school success partnership program:

(a) Increasing school attendance and decreasing chronic absenteeism.

(b) Increasing grade-based academic performance, with emphasis on math and reading.

(c) Identifying barriers to attendance and success and connecting families with resources to reduce the barriers.

(d) Increasing parent involvement.

(2) Not later than July 15 of the current fiscal year, the Northeast Michigan Community Service Agency shall submit a report to the department on the number of children and families served and the services that were provided to families to meet the performance objectives identified in this section. Not later than 1 week after the department receives the report, the department shall distribute the report to the standard report recipients.

Sec. 453. (1) From the funds appropriated in part 1 for homeless programs, the department shall allocate funds to the emergency shelter program to support efforts of shelter providers to move homeless individuals and households into permanent housing as quickly as possible. The funds must be equal to or exceed the amount that a provider would receive if the provider is paid a $19.00 per diem rate. Expected outcomes are increased shelter discharges to stable housing destinations, decreased recidivism rates for shelter clients, and a reduction in the average length of stay in emergency shelters.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the total amount expended for the emergency shelter program in the prior 2 fiscal years, the total number of shelter nights provided, and the average length of stay in an emergency shelter.

Sec. 454. The department shall allocate the full amount of funds appropriated in part 1 for homeless programs to provide services for homeless individuals and families, including, but not limited to, third-party contracts for emergency shelter services.

Sec. 455. As a condition of receipt of federal TANF revenue, after admitting a family to a homeless shelter, the homeless shelter and human services agencies shall collaborate with the department to obtain necessary TANF eligibility information on the family as soon as possible. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF revenue only to the homeless shelters and human services agencies that report necessary data to the department to meet TANF eligibility reporting requirements. Homeless shelters or human services agencies that do not report necessary data to the department to meet TANF eligibility reporting requirements shall not receive reimbursements that exceed the per diem amount the homeless shelters or human service agencies received in fiscal year 2000. The use of TANF revenue under this section is not an ongoing commitment of funding.

Sec. 456. From the funds appropriated in part 1 for homeless programs, the department shall allocate $10,000.00 to reimburse public service agencies that provide documentation of paying birth certificate fees on behalf of category 1 homeless clients at county clerk's offices. Each public service agency must be reimbursed for the cost of the birth certificate fees quarterly until the allocation is fully spent.

Sec. 457. From the funds appropriated in part 1 for homeless programs, the department shall allocate $8,500,000.00 of TANF revenue to support family shelters or families who are homeless and at risk of being homeless. Funds appropriated under this section must be used as follows:

(a) $3,000,000.00 for emergency hotels for families experiencing homelessness.

(b) $3,500,000.00 for assistance and supports to families engaged with child welfare. This may include, but is not limited to, eviction diversion, first month's rent and deposit, and utility arrears.

(c) $2,000,000.00 for creating additional spaces at family homeless shelters that have been in operation for at least 24 months.

Sec. 458. From the funds appropriated in part 1 for homeless programs, the department shall require any entities receiving direct or indirect state funds to report data to a Homeless Management Information System that satisfies the baseline data collection requirements.

Sec. 459. From the funds appropriated in part 1 for homeless programs, the department shall allocate $2,000,000.00 of TANF revenue to acquire and develop for individuals and families noncongregate shelter that utilizes options under a Housing First model and prioritizes providing stable and permanent housing without preconditions or requirements, such as sobriety or participation in treatment programs. Eligible uses for this funding may include, but are not limited to, hotels, motels, dormitories, recuperative care facilities, and other facilities that offer noncongregate shelter.

Sec. 460. From the funds appropriated in part 1 for kids' food basket, the department shall allocate $525,000.00 to fund a project with a nonprofit, community-based organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and is located in a city with a population between 185,000 and 200,000 and in a county with a population between 600,000 and 700,000, according to the most recent federal decennial census. The nonprofit organization recipient must have an existing network of food delivery to low-income children in not less than 3 counties in this state. The nonprofit organization shall use the funds to expand its services to additional schools and communities. The funding may be used to cover employee costs, food and supplies, equipment, and other operational costs identified by the organization to support its mission and goals.

Sec. 462. From the funds appropriated in part 1 for senior university, the department shall allocate $400,000.00 to a community action alliance located in a city with a population over 500,000 according to the most recent federal decennial census to improve connectivity and computer skills to seniors.

Sec. 463. From the funds appropriated in part 1 for runaway and homeless youth grants and domestic violence prevention and treatment, the department is authorized to make allocations of TANF revenue only to agencies that report necessary data to the department to meet TANF eligibility reporting requirements.

Sec. 464. (1) From the funds appropriated in part 1 for diaper assistance grant, the department shall allocate grants to diaper assistance programs, maternity homes, local county offices, and other nonprofit agencies that distribute diapers free of charge and were established as of January 1, 2020. The funds must be used only to purchase diapering supplies and to cover related administrative costs. Not more than 10% of the funds appropriated in part 1 are expendable for administrative purposes.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the distribution of diapering supplies that includes, but is not limited to, the names and locations of the entities described in subsection (1) that distribute diaper supplies and the total amount of diapering supplies distributed to each entity.

(3) Funds appropriated for diaper assistance grant are considered work project funds, do not lapse at the end of the fiscal year, and are available for expenditures for projects under this section until the projects have 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 work project is to provide funding for grants for eligible entities to distribute diapers free of charge.

(b) The work project will be accomplished through partnerships with diaper assistance programs, maternity homes, and other nonprofit agencies.

(c) The total estimated cost of the work project is $6,404,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 465. (1) From the funds appropriated in part 1 for community services and outreach administration, $2,950,000.00 must be distributed as provided in subsection (2). Michigan 2-1-1 must continue to seek funding from local United Way organizations and other nonprofit organizations and foundations.

(2) Funds distributed under subsection (1) must 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 of 1986, 26 USC 501, and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the funds 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 refer any received calls that report fraud, waste, or abuse of state-administered public assistance to the department.

(4) Michigan 2-1-1 shall submit, to the department, the senate and house of representatives standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, and the standard report recipients, a report that includes, but is not limited to, call volume by health and human service needs and unmet needs identified through caller data and number and the percentage of callers referred to public or private provider types.

Sec. 466. Not later than March 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the runaway homeless youth program that includes, but is not limited to, all of the following:

(a) A list of counties served and the amount of funding allocated to each county.

(b) The amount of funding being allocated to previously underserved communities and how capacity has been expanded or is planned to be expanded in those communities.

(c) Identified barriers that have hindered providers from expanding capacity.

CHILDREN'S SERVICES AGENCY - CHILD WELFARE

Sec. 501. (1) A goal is established that not more than 25% of all children in foster care at any given time during the current fiscal year, unless contrary to the best interest of the child, will have been in foster care for 24 months or more.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report describing the steps that will be taken to achieve the goal under subsection (1). The report must also include the following:

(a) An explanation of the most significant barriers that prevent long-term foster children from permanent placements.

(b) The number of children currently in foster care for longer than 24 months and the percentage of those children that had paid Medicaid behavioral health claims or encounters within the last year.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall reimburse Indian tribal governments for 50% of the foster care expenditures for children who are under the jurisdiction of Indian tribal courts and are not otherwise eligible for federal foster care cost sharing. However, the department may reimburse up to 100% of the foster care expenditures for an Indian tribal government that enters into a state-tribal Title IV-E agreement allowed under this state's Title IV-E state plan.

Sec. 505. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on youth referred or committed to the department for care or supervision in the previous fiscal year that outlines the number of youth served by the department in the juvenile justice system by the type of setting for each youth.

Sec. 506. From the funds appropriated in part 1 for attorney general contract, not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the juvenile justice system in any county in which funds appropriated in part 1 are expended. The report must include, but not be limited to, all of the following:

(a) The number of youth referred or committed to the department for care or supervision in the previous fiscal year and in the first quarter of the current fiscal year.

(b) The number of youth referred or committed to the care or supervision of the county in which funds appropriated in part 1 were expended for the previous fiscal year and the first quarter of the current fiscal year.

(c) The type of setting for each youth referred or committed for care or supervision, any applicable performance outcomes, and identified financial costs or savings.

(d) The required and actual staff-to-youth ratios.

Sec. 507. The department's ability to satisfy appropriation deductions in part 1 for foster care private collections is not limited to collections and accruals pertaining to services provided only in the current fiscal year and may include revenues collected during the current fiscal year for services provided in prior fiscal years.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children trust Michigan, money granted or money received as gifts or donations to the children's trust fund created in 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

(2) For the funds described in subsection (1), the department shall ensure that administrative delays are avoided and local grant recipients and direct service providers receive money in an expeditious manner. The department and the state board as that term is defined in section 2 of the child abuse and neglect prevention act, 1982 PA 250, MCL 722.601, shall make the children's trust fund contract funds available to grantees not later than 31 days after the start date of the funded project.

Sec. 509. (1) From the funds appropriated in part 1 for adoption support services, the department shall maintain a rate structure that pays for cases based on the average length of time it takes to reach adoption finalization by case characteristics for licensed child placing agencies contracted with the department that provide adoption services for youth in foster care.

(2) For cases accepted before the implementation of the new rate structure described in subsection (1), the department shall maintain the increase of contracted rates paid to private child placing agencies, including the $23.00 per diem for all foster youth from the date of the case acceptance to the date of adoption petition acceptance or 150 days, whichever occurs sooner, for licensed child placing agencies contracted with the department to provide adoption services for foster youth. The per diem rate must be separate from the outcome-based reimbursement system and must not be deducted from the total reimbursement an agency receives for the applicable placement or finalization rate of an adoption.

Sec. 510. The department shall submit reports on a monthly basis to the standard report recipients on all of the following:

(a) The number of children awaiting placement in a residential setting by child caring institution.

(b) The reason for the delay in placement, including, but not limited to, facility bed shortages, placement process delays, or other reasons.

(c) The number of incentive payments that were awarded by the department by child caring institution.

(d) The number of incentive payments that were denied by the department by child caring institution.

(e) Of the denials identified in subdivision (d), the department shall provide the rationale for denial of incentive payments including, but not limited to, refusal of placement, lack of staffing, or other reasons.

Sec. 511. The department shall submit, to the standard report recipients and the senate and house of representatives standing committees that cover subject matters dealing with families and human services, reports on a semiannual basis that include the number and percentage of children who received timely physical and mental health examinations after entry into foster care. The goal of the program is for not less than 85% of children to have an initial medical and mental health examination that is not later than 30 days after entry into foster care.

Sec. 512. (1) From the funds appropriated in part 1 for foster care payments, the department shall allocate $500,000.00 of TANF revenue to provide luggage to a child who is being removed from the child's home or changing placement and is a TANF eligible individual. The luggage provided under this section is considered to belong to the child and may not be confiscated by the department or the child's foster parent. The department is not required to provide new luggage under this section to a child who is changing placement and has had luggage previously provided by the department.

(2) The department may partner with local charities to establish and maintain the supply of luggage to be used to transport a child's personal belongings. Additionally, the department may accept donations of luggage to fulfill the requirements of this section.

(3) As used in this section, "luggage" means any of the following:

(a) A suitcase of any size.

(b) A duffel bag that holds at least 30 liters.

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

(a) An appropriate placement is not available in this state, as determined by the department's interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement, as determined by the department's interstate compact office.

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

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

(e) The department has visited the site of the out-of-state facility; has reviewed the facility records, licensing records, and reports; and believes that the facility is an appropriate placement for the child.

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the executive director of the children's services agency.

(3) Not later than March 1 of the current fiscal year, the department shall submit, to the state court administrative office and the standard report recipients, a report on the number of Michigan children residing in out-of-state facilities in the previous fiscal year, the total cost and average per diem cost of the out-of-state placements to this state, a list of each out-of-state placement arranged by the Michigan county of residence for each child, and a list of out-of-state facilities that were visited by the department before the child's placement.

Sec. 514. (1) From the funds appropriated in part 1 for foster care payments, the department shall maintain a statewide respite care services network available to licensed foster parents and unlicensed relative caregivers that care for children in foster care.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the total number of licensed foster parents and unlicensed relative caregivers that were provided respite services, the average amount of respite time per month, and the total amount of funding spent on respite services during the previous fiscal year.

Sec. 515. If a children's protective services caseworker requests approval for another children's protective services caseworker or other department employee to accompany the caseworker on a home visit because the caseworker believes that it would be unsafe to conduct the home visit alone, the department shall not deny the request.

Sec. 516. (1) From funds appropriated in part 1 for child care fund, the administrative or indirect cost payment equal to 10% of a county's total monthly gross expenditures must be distributed to the county on a monthly basis, and a county is not required to submit documentation to the department for any of the expenditures that are covered under the 10% payment as described in section 117a(4)(b)(*ii*) and (*iv*) of the social welfare act, 1939 PA 280, MCL 400.117a.

(2) From the funds appropriated in part 1 for child care fund – indirect cost allotment, the department shall allocate $3,500,000.00 to counties and tribal governments that receive reimbursements in part 1 from child care fund.

(3) The amount described in subsection (2) must be distributed to each county or tribal government in the same proportion as indirect cost allotments are provided to counties in the same manner described in section 117a of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 517. For a child placed in a family foster care home located out of this state, the department may ask a state or private child placing agency contracted by the receiving state to carry out required visits and any additional visits that the department finds necessary.

Sec. 518. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the cumulative child care fund expenditures of in-home juvenile justice care that are eligible for the 75% state and 25% local split required under section 117a(4)(*i*) of the social welfare act, 1939 PA 280, MCL 400.117a. Eligible expenditures include community-based juvenile supervision, services, and related practices, and per diem rates for the use of respite and shelter for less than 30 days. The report must also include the expenditures by county and type of service provided, the number of youth receiving care, and the number of days of care.

Sec. 520. Not later than February 15 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the number of days of care and expenditures by funding source for the previous fiscal year for out-of-home placements by specific placement programs for child abuse or child neglect and juvenile justice, including, but not limited to, paid relative placement, department direct family foster care, private-agency-supervised foster care, private child caring institutions, county-supervised facilities, and independent living. The report must also include the number of days of care for department-operated residential juvenile justice facilities by security classification.

Sec. 522. (1) From the funds appropriated in part 1 for youth in transition, the department shall allocate $750,000.00 for scholarships through the fostering futures scholarship program in the Michigan education trust to youth who were in foster care because of child abuse or child neglect and are attending a college or a career technical educational institution located in this state. One hundred percent of the funds appropriated must be used to fund scholarships for the youth described in this section.

(2) Not later than June 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report that includes the number of youth who applied for scholarships under this section, the number of youth who received scholarships under this section and the amount of each scholarship, and the total amount of funds spent or encumbered in the current fiscal year.

Sec. 523. Not later than February 15 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the families first, family reunification, and families together building solutions family preservation programs. The report must include both of the following:

(a) Utilization and outcome data based on families served.

(b) For each program, information on any innovations or expansions that may increase child safety and reduce risk.

Sec. 524. As a condition of receiving funds appropriated in part 1 for strong families/safe children, not later than October 1 of the current fiscal year, counties shall submit the service spending plan to the department for approval. Not later than 30 calendar days after receipt of a properly completed service spending plan, the department shall approve the service spending plan.

Sec. 525. The department shall maintain the same on-site evaluation processes for privately operated child welfare and juvenile justice residential facilities as is used to evaluate state-operated facilities. Penalties for noncompliance must be the same for privately operated child welfare and juvenile justice residential facilities and state-operated facilities.

Sec. 526. From the funds appropriated in part 1 for court-appointed special advocates, the department shall allocate $2,250,000.00 to fund a project with a nonprofit, community-based organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, located in a charter township with a population between 18,000 and 19,000 that is located in a county with a population between 600,000 and 700,000, according to the most recent federal decennial census. The nonprofit organization recipient must have an existing network of affiliate programs operating in not less than 25 counties in this state. The recipient nonprofit organization shall use the funds to recruit, screen, train, and supervise volunteers who provide advocacy services on behalf of abused and neglected children.

Sec. 528. From the funds appropriated in part 1 for child care fund, the department shall allocate $3,730,300.00 to support the annual basic grant to counties with a population of less than 75,000, according to the most recent federal decennial census, and as described in section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, and to eligible tribal entities. The basic grant must be $56,520.00 to eligible counties and tribal entities.

Sec. 529. From the funds appropriated in part 1 for family preservation programs, the department shall increase the total combined funding levels of the families first, family reunification, and families together building solutions family preservation programs at an amount not less than the amount provided as of September 30, 2021.

Sec. 530. (1) All master contracts relating to foster care and adoption services as funded by the appropriations in section 105 of part 1 must be performance-based contracts that employ a client-centered and results-oriented process that is based on measurable performance indicators and desired outcomes and includes an annual assessment of the quality of services provided.

(2) Not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

Sec. 532. Beginning on October 1 of the current fiscal year, the department shall hold semiannual meetings with state and private residential providers to receive feedback and discuss potential improvements to the residential system.

Sec. 534. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the adoption subsidies expenditures from the previous fiscal year. The report must include, but is not limited to, the range of non-$0.00 annual adoption support subsidy amounts, for both Title IV-E eligible cases and state-funded cases, paid to adoptive families; the number of Title IV-E and state-funded cases; the number of cases in which an adoption support subsidy request by an adoptive parent was denied by the department; and the number of adoptive parents who requested a renegotiation of their adoption support subsidy contract.

Sec. 537. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the following information for cases of child abuse or child neglect from the previous fiscal year:

(a) The total number of relative care placements.

(b) The total number of relative care placements into unlicensed relative homes.

(c) The total number of relative care placements into licensed relative homes.

(d) The total number of unlicensed relative providers with a relative placement that were denied a foster home license due to not meeting the standards established for foster care licensing in this state.

(e) From a sample of cases, a list of the reasons documented by the department for denial of relative foster home licensure.

(f) For licensed relative caregivers without placements, the status of Title IV-E claims for foster care maintenance payments and foster care administrative payments.

Sec. 540. If a physician or psychiatrist who is providing services to a state or court ward placed in a residential facility submits a formal request to the department to change the psychotropic medication for a ward, the department shall, if the ward is a state ward, make a determination on the proposed change not later than 7 business days after the request or, if the ward is a temporary court ward, seek parental consent not later than 7 business days after the request. If the determination or parental consent is not provided by the seventh business day, the department shall petition the court for the determination or consent on the eighth business day.

Sec. 546. (1) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay an administrative rate before incentive payments of not less than $60.20 to providers of general foster care, independent living, and trial reunification services.

(2) From the funds appropriated in part 1, the department shall pay providers of independent living plus services per diem statewide rates for staff-supported housing and host-home housing that are based on proposals submitted in response to a solicitation for pricing. The independent living plus program provides staff-supported housing and services for foster youth 16 years of age to 19 years of age who, because of their individual needs and assessments, are not initially appropriate for general independent living foster care.

(3) If required by the federal government to meet Title IV-E requirements, on a quarterly basis, providers of foster care services shall submit a report on expenditures to the department to identify actual costs of providing foster care services.

Sec. 547. (1) From the funds appropriated in part 1 for the guardianship assistance program, the department shall pay a minimum rate that is not less than the approved age-appropriate payment rates for youth placed in family foster care.

(2) The department shall submit, to the standard report recipients, a report that includes quarterly data on the number of children enrolled in the guardianship assistance and foster care – children with serious emotional disturbance waiver programs.

Sec. 550. (1) The department shall not offset against reimbursements to counties or seek reimbursement from counties for charges that were received by the department more than 12 months before the department seeks to offset against reimbursement. A county shall not request reimbursement, and reimbursements must not be paid, for a charge that is more than 12 months after the date of service or original status determination when initially submitted by the county.

(2) Not later than 12 months after a date of service, a service provider shall submit a request for payment. A request for payment submitted later than 12 months after the date of service requires the provider to submit an exception request to the county or the department for approval or denial.

(3) A county is not subject to any offset, chargeback, or reimbursement liability for a prior expenditure resulting from an error in a foster care fund source determination.

Sec. 551. Not later than 30 days after a county requests a clarification through the department's child care fund management unit email address, the department shall respond to the request.

Sec. 552. Sixty days after a county's child care fund review is completed, including the receipt of all requested documentation from the county, the department shall provide the results of the review to the county. In the review, the department shall not evaluate the relevancy, quality, effectiveness, efficiency, or impact of the services provided to youth by the county's child care fund programs. The department shall not release the results of a county's child care fund review to a third party without the permission of the county.

Sec. 554. From the funds appropriated in part 1 for foster care payments, the department shall allocate $50,000.00 to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501; currently has locations in 3 cities; operates on a 100% volunteer basis with a board of directors consisting of not more than 15 members; is a dedicated community of individuals that give their time, talent, and resources to provide the best quality shopping environment that they can to local children in need; and provides clothing, shoes, toys, linens, nursery furniture, strollers, car seats, school supplies, hygiene products, and safety equipment to local foster children and their families free of charge.

Sec. 557. If a vehicle that is owned by the state is available and not scheduled for use by other state workers, the department may consider a children's protective services caseworker or a foster care caseworker driving the vehicle to a foster home visit or driving the vehicle to the caseworker's own home as an allowable use of the vehicle if the driving would be helpful to the caseworker in conducting the caseworker's work.

Sec. 559. (1) From the funds appropriated in part 1 for adoption support services, not later than December 1 of the current fiscal year, the department shall allocate $500,000.00 to a grant recipient to operate and expand its adoptive parent mentor program to provide a listening ear, knowledgeable guidance, and community connections to adoptive parents and children who were adopted in this state or another state.

(2) Not later than March 1 of the current fiscal year, the grant recipient shall submit, to the standard report recipients, a report on the program described in subsection (1), including, but not limited to, the number of cases served and the number of cases in which the program prevented an out-of-home placement.

Sec. 562. If a foster parent transports a foster child to parent-child visitation, the department shall reimburse the foster parent for the foster parent's time and travel. As part of the foster care parent contract, the department shall provide written confirmation to foster parents that states that the foster parents have the right to request reimbursement for all parent-child visitations. Not later than 60 days after receiving a request from a foster parent for eligible reimbursement, the department shall provide the reimbursement.

Sec. 564. (1) The department shall maintain a clear policy for parent-child visitations. All of the following individuals shall meet an 85% success rate, after accounting for factors outside of caseworker control:

(a) Caseworkers and supervisors of local county offices.

(b) Caseworkers and supervisors of child placing agencies.

(2) In accordance with the court-ordered number of required meetings between caseworkers and a parent, the caseworkers shall achieve a success rate of 85%, after accounting for factors outside of caseworker control.

(3) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the following:

(a) The percentage of success rates for parent-child visitations and court-ordered required meetings under subsections (1) and (2) for the previous fiscal year.

(b) The barriers to achieve the success rates described in subsections (1) and (2) and how this information is tracked.

Sec. 568. (1) The department shall ensure each youth transitioning out of foster care is given assistance with obtaining a driver license or state identification card and is issued a copy of the youth's Social Security number, as required by department policy. Assistance must be provided to each youth who is eligible to obtain a driver license or state identification card and, based on the youth's citizenship and legal residency status, a Social Security card.

(2) Not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the number of youth who obtained a driver license or state identification card, the number of youth who obtained a Social Security card, and the number of youth who were eligible but did not receive a driver license, state identification card, or Social Security card and an explanation as to why the youth did not receive the documents.

Sec. 569. The department shall reimburse each private child placing agency that completes an adoption at the rate on the date when the petition for adoption and the required support documentation were accepted by the court and not the rate on the date when the court's order placing for adoption was entered.

Sec. 574. (1) From the funds appropriated in part 1 for foster care payments, $1,375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers and relative caregivers for assistance with home improvements to alleviate safety concerns or obtain items needed to ensure compliance with licensing rule requirements and to accommodate children in foster care.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the total amount expended in the previous year for grants to private and community-based foster care service providers for home improvements or physical exams described in subsection (1) and the number of grants issued.

Sec. 575. From the funds appropriated in part 1 for children's services administration, the department shall allocate $200,000.00 to provide support and coordinated services to the kinship caregiver advisory council. The responsibilities of the council may include all of the following:

(a) Establishing a public awareness campaign to educate the public about kinship caregivers and this state's efforts to better serve kinship caregivers.

(b) Consulting and coordinating with the kinship caregiver navigator program to collect aggregate data on individuals being served by the kinship caregiver navigator program, including information on what services the individuals need.

(c) Consulting and collaborating with the provider of the kinship caregiver navigator program on the design and administration of the program.

(d) Establishing, maintaining, and updating a list of local support groups and programs that provide services to kinship families and, in order to obtain a better understanding of the issues facing kinship families, devising a plan of action for engaging with the groups and programs on the list.

(e) Developing methods to promote and improve collaboration between state, county, and local governments and agencies and private stakeholders for all of the following reasons:

(*i*) To obtain a broad understanding of the characteristics and prevalence of kinship caregiving.

(*ii*) To improve service delivery.

(*iii*) To include the methods in the council's recommendations.

Sec. 578. (1) From the funds appropriated in part 1 for foster care payments, the department shall allocate Title IV-E passthrough funds for educational pilot programs to strengthen this state's child welfare workforce. The department shall enter into contractual arrangements with state universities to provide bachelor of social work and master of social work educational training, including field placements and stipends for tuition and educational expenses. In exchange, students completing eligible educational programs are contractually obligated to work for Michigan child welfare agencies for a minimum of 4 months for every semester they receive the stipend. The matching funds for the Title IV-E funds must be provided by the participating state universities from the expenses incurred for training child welfare students who participate in the program.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the status of pilot programs under subsection (1) that includes, but is not limited to, the total number of applicants, the total number of program participants, a list of state universities that participated in the pilot programs, and the total amount of matching funds that each state university contributed to the programs.

Sec. 581. From the funds appropriated in part 1 for foster care payments, the department shall allocate $50,000.00 for caseworkers to provide immediate assistance with urgent needs, including, but not limited to, food, clothing, and other basic necessities, for children, including children who are victims of human trafficking, on the children's removal from the children's homes or other dangerous environments.

Sec. 583. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients and the senate and house of representatives standing committees that cover subject matters dealing with families and human services, a report that includes all of the following:

(a) The number and percentage of foster parents that closed their license in the previous fiscal year, the reasons the foster parents left, and how the figures compare to the figures for prior fiscal years.

(b) The number and percentage of foster parents successfully retained in the previous fiscal year and how the figures compare to the figures for prior fiscal years.

(c) The number and percentage of licensed foster homes that closed their license because they adopted their foster child.

Sec. 585. Each month, the department shall make available at least 1 pre-service training class in which new caseworkers for private foster care and adoption agencies can enroll.

Sec. 588. (1) Concurrently with public release, the department shall transmit, without revision, all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the standard report recipients.

(2) Not later than October 1 of the current fiscal year, the department shall submit, to the standard report recipients, a detailed plan that addresses the status and progress toward exiting the settlement by September 30 of the current fiscal year. The report must include an update on the department's child welfare initiative.

Sec. 589. (1) From the funds appropriated in part 1 for child care fund, the department shall pay 100% of the administrative rate for all new cases referred to providers of foster care services.

(2) On a quarterly basis, the department shall submit a report, to the standard report recipients, on the monthly number of all foster care cases administered by the department and all foster care cases administered by private providers.

Sec. 592. On a quarterly basis, the department shall submit, to the chairs of the senate and house of representatives standing oversight committees and the standard report recipients, a report that includes data from children's protective services staff for each of the following for the most recent quarter before the applicable report is submitted:

(a) The percent of investigations commenced in 24 hours immediately after receiving a report.

(b) The percent of central registry reviews performed for required individuals.

(c) The percent of face-to-face contacts made within the established timeframe required by the department.

(d) In appropriate cases, the percent of sibling placement evaluations completed when 1 or more children remain in the home after a child has been removed.

(e) The percent of supervisory reviews performed in a timely manner.

(f) The results of a department survey of children's protective services investigators on the number of investigators who are concerned for their own personal safety.

(g) The percent of investigators using the mobile application or another tool to document compliance.

Sec. 593. The department shall conduct an annual review in each county to determine if the county has adopted and implemented standard child abuse and child neglect investigation and interview protocols under section 8(6) of the child protection law, 1975 PA 238, MCL 722.628.

Sec. 594. From the funds appropriated in part 1 for foster care payments, the department shall support regional resource teams to provide for the recruitment, retention, and training of foster and adoptive parents and shall expand the Michigan youth opportunities initiative to all counties of this state. The purpose of the funding is to increase the number of annual inquiries from prospective foster parents, increase the number of nonrelative foster homes that achieve licensure each year, increase the annual retention rate of nonrelative foster homes, reduce the number of older foster youth placed outside of family settings, and provide older youth with enhanced support in transitioning to adulthood.

Sec. 598. Partial child care fund reimbursements to counties for undisputed charges must not be made later than 45 business days after receipt of the required forms and documentation. Not later than 15 business days after receiving a request from a county for reimbursement of a disputed charge, the department shall commence activity to investigate and resolve the disputed reimbursement charge. The activity to investigate and resolve a disputed reimbursement charge may include, but is not limited to, the use of a formal appeals process under applicable law and the department chargeback policy. Not later than 45 business days after a properly corrected submission by the county, the department shall reimburse the county for the corrected charge or charges.

PUBLIC ASSISTANCE

Sec. 601. After a client agrees to the release of the client's 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 must be terminated if the local housing authority indicates in writing that the unit does not meet local housing codes and until the local housing authority indicates in writing that the local housing codes have been met.

Sec. 602. The department shall conduct a full evaluation of an individual's assistance needs if the individual has applied for disability more than 1 time in a 1-year period.

Sec. 603. For any change in the income of a recipient of the food assistance program, the family independence program, or state disability assistance that results in a benefit decrease, the department shall notify the recipient of the amount of the decrease not later than 15 work days before the first day of the month in which the decrease takes effect.

Sec. 604. (1) From the funds appropriated in part 1 for state disability assistance payments, the department shall operate a state disability assistance program. Except as provided in subsection (3), to be eligible for the program, an individual must be a needy citizen of the United States or alien exempted from the SSI citizenship requirement who is not less than 18 years of age, or an emancipated minor, and meets 1 or more of the following requirements:

(a) Is a recipient of SSI, Social Security, or medical assistance due to disability or being 65 years of age or older.

(b) Is an individual with a physical or mental impairment that meets federal SSI disability standards, except that the minimum duration of the disability must be 90 days. Substance use disorder alone is not a basis for eligibility.

(c) Is a resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance use disorder treatment center.

(d) Is an individual receiving 30-day postresidential substance use disorder treatment.

(e) Is an individual diagnosed as having AIDS.

(f) Is an individual receiving special education services through a local intermediate school district.

(g) Is a caretaker of a disabled individual who meets the requirements specified in subdivision (a), (b), (e), or (f).

(2) An applicant for or recipient of state disability assistance is considered needy if the applicant or recipient does both of the following:

(a) Meets the same asset test as is applied for the family independence program.

(b) Has a monthly budgetable income that is less than the payment standards.

(3) Except for an individual described in subsection (1)(c) or (d), an individual is not disabled under this section if the individual's drug addiction or alcoholism is a contributing factor material to the determination of disability.

(4) As used in this section:

(a) "Material to the determination of disability" means that, if the individual stopped using drugs or alcohol, the individual's remaining physical or mental limitations would not be disabling. If the individual's remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the individual may receive state disability assistance, but the individual must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments.

(b) "Substance abuse treatment" includes receipt of inpatient or outpatient services or participation in Alcoholics Anonymous or a similar program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities must be the same as the prevailing SSI rate under the personal care category.

Sec. 606. County department offices shall require each recipient of family independence program and state disability assistance who has applied with the Social Security Administration for SSI to sign a contract to repay any assistance rendered through the family independence program or state disability assistance program on receipt of retroactive SSI benefits.

Sec. 607. (1) The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues is not limited to recoveries and accruals pertaining to state disability assistance, or family independence program grant payments provided only in the current fiscal year and may include revenues collected during the current year that are prior-year-related and not a part of the department's accrued entries.

(2) The department may use SSI recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

Sec. 608. An adult foster care facility that provides domiciliary care or personal care to a resident receiving SSI or a home for the aged serving a resident receiving SSI shall not require a resident described in this section to reimburse the home for the aged or adult foster care facility for care at a rate in excess of a rate that is authorized by the legislature. To the extent permitted by federal law, an adult foster care facility and home for the aged that serves a resident receiving SSI is not prohibited from accepting a third-party payment in addition to SSI if the payment is not for food, clothing, or shelter, or would result in a reduction in the resident's SSI payment.

Sec. 609. The department shall not reduce the state supplementation level under the SSI program for the personal care/adult foster care and home for the aged categories during the current fiscal year. Not later than 30 days before a proposed reduction in the state supplementation level, the department shall notify the legislature of the proposed reduction.

Sec. 610. (1) The department shall grant an exemption from the good-cause criteria for the state emergency relief program if an emergency results from an unexpected expense related to maintaining or securing employment.

(2) In determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if the group's total housing obligation does not exceed 75% of the group's total net income.

(3) The department shall not make a state emergency relief payment to an individual who has been found guilty of fraud in obtaining public assistance.

(4) The department shall not make a state emergency relief payment to an individual who is an out-of-state or nonlegal resident.

(5) The department shall distribute a state emergency relief payment for rent assistance directly to a landlord and shall not add the payment to a Michigan bridge card.

Sec. 611. The state supplementation level under the SSI program for the living independently category or living in the household of another category must not exceed the minimum state supplementation level as required under federal law.

Sec. 613. (1) From the funds appropriated in part 1 for indigent burial, the department shall provide a reimbursement for the final disposition of an indigent individual. A reimbursement under this section must comply with all of the following:

(a) The maximum allowable reimbursement for the final disposition is $960.00.

(b) The adult burial with services allowance is $875.00.

(c) The adult burial without services allowance is $610.00.

(d) The infant burial allowance is $240.00.

(e) The adult cremation with services allowance is $640.00.

(f) The adult cremation without services allowance is $390.00.

(g) The maximum allowable reimbursement if an irrevocable funeral agreement exists is $260.00.

(2) The department shall reimburse up to $80.00 for a cremation permit fee and for mileage at the standard rate for an eligible cremation. A reimbursement under this subsection must take into consideration whether an indigent individual's religious preference prohibits cremation.

(3) An application for burial services must be made no later than 20 business days after the burial, cremation, or donation takes place. A friend or relative of the indigent individual may supplement the burial payment in any amount up to $6,000.00 for additional services. A funeral director, with written authorization provided by a relative of the indigent individual, is deemed an authorized representative for burial benefits.

(4) By January 31 of the current fiscal year, the department shall submit a report to the standard report recipients on burial service payments issued from the state emergency relief program during the previous fiscal year. The report must include the number of applicants denied and the number of payments by the following burial service categories:

(a) Fetus or infant less than 1 month of age.

(b) Burial with memorial service.

(c) Burial without memorial service.

(d) Cremation with memorial service.

(e) Cremation without memorial service.

(f) Transportation of a donated or unclaimed body being cremated.

(g) Cremation permit fee for an unclaimed body.

(h) Disposition of an unclaimed body.
(i) Payment if an irrevocable funeral agreement exists.
(j) An unclaimed body received by a university.

Sec. 614. By January 15 of the current fiscal year, the department shall submit a report to the standard report recipients on the number and percentage of state disability assistance recipients who were determined to be eligible for federal SSI benefits in the previous fiscal year.

Sec. 615. Except as required by federal law, the department shall not use funds appropriated in part 1 to provide public assistance to an individual who is not a United States citizen, permanent resident alien, or refugee. This section does not prohibit the department from entering into a contract with a food bank, emergency shelter provider, or another human service agency that may, as a normal part of doing business, provide food or emergency shelter.

Sec. 616. The department shall require a retailer that participates in the electronic benefits transfer program to charge no more than a $2.50 fee for cash back as a condition of participation.

Sec. 619. The department shall not deny a title IV-A assistance and food assistance benefit under 21 USC 862a to an individual who has been convicted of a felony for the possession, use, or distribution of a controlled substance, if both of the following are met:
(a) The act that resulted in the conviction occurred after August 22, 1996.
(b) The individual is not in violation of the individual's probation or parole requirements.

Sec. 620. (1) The department shall determine a Medicaid applicant's Medicaid eligibility not later than 90 days after the Medicaid applicant completes a Medicaid application if the Medicaid applicant's disability is an eligibility factor. For other Medicaid applicants, including an applicant who is a patient of a nursing home, the department shall determine the applicant's Medicaid eligibility within 45 days after receiving the Medicaid applicant's application.
(2) On a quarterly basis, the department shall submit a report to the standard report recipients on the number of recipients who were ineligible for Medicaid after Medicaid eligibility redeterminations resumed after federal continuous enrollment requirements ended. The report must include, in a monthly data format, the number of recipients who had their eligibility examined directly, through an ex parte eligibility process or through a passive eligibility process. The report must also include a copy of each baseline and monthly report that the department provides to CMS for unwinding data reporting and the number of recipients who did not respond to the department through eligibility outreach or data requests.

Sec. 625. From the funds appropriated in part 1 for SSI advocacy legal services grant, the department shall allocate $975,000.00 as a grant to the Legal Services Association of Michigan (LSAM). The purpose of the grant is to assist current or potential recipients of state disability assistance who have applied for or wish to apply for SSI or other federal disability benefits. LSAM shall provide a list of newly eligible SSI recipients to the department to verify that services are provided to department referrals.

Sec. 645. The department shall consider an individual or family to be homeless for purposes of eligibility for state emergency relief, if the individual or family is living temporarily with another in order to escape domestic violence. The department shall define and verify domestic violence in the same manner as the department defines and verifies that term 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 program benefits, an individual who is the victim of domestic violence or human trafficking and who 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. The department may extend the exemption for an additional 3 months if an individual described in this section demonstrates to the department a continuing need.

Sec. 654. The department shall notify a recipient of food assistance program benefits that the recipient's benefits can be spent with the recipient's Michigan bridge card at many farmers markets in this state. The department shall also provide a recipient with information about the double up food bucks program that is administered by the Fair Food Network. The information about the double up food bucks program must include, but is not limited to, information that if the recipient spends $20.00 at a participating farmers market through the program, the recipient may receive an additional $20.00 to buy Michigan produce.

Sec. 655. Not later than 14 days after the spending plan for low-income home energy assistance program is approved by the state budget office, the department shall provide the spending plan, including itemized projected expenditures and itemized expenditures for the previous fiscal year, to the standard report recipients.

Sec. 660. From the funds appropriated in part 1 for Michigan agricultural surplus system, the department shall allocate $12,045,000.00 for procuring and distributing the Michigan agricultural surplus system to distribute surplus produce to low-income residents of this state.

Sec. 669. From the funds appropriated in part 1 for family independence program – clothing allowance, the department shall allocate $10,000,000.00 for the annual clothing allowance. The department shall grant the allowance to eligible children in a family independence program group.

Sec. 672. (1) By February 15 of the current fiscal year, the department's office of inspector general shall submit a report to the standard report recipients on the department's efforts to reduce the inappropriate use of Michigan bridge cards and food assistance program trafficking. The department shall provide information on the number of recipients of services who used their Michigan bridge card inappropriately and the current status of each case, the number of recipients whose benefits were permanently and temporarily revoked as a result of inappropriately using their Michigan bridge cards, and the number of retailers that were fined or removed from the electronic benefit transfer program for permitting the inappropriate use of Michigan bridge cards. The report must also include the number of Michigan bridge card trafficking instances and overall welfare fraud referrals, that includes, but is not limited to, information on the number of investigations completed, fraud and intentional program violation dollar amounts identified, the number of referrals to prosecutors, the number of administrative hearing referrals and waivers, and the number of program disqualifications imposed. The report must distinguish between savings and cost avoidance. As used in this subsection:

(a) "Cost avoidance" includes expenditures avoided due to front-end eligibility investigations and other preemptive actions undertaken in the prevention of fraud.

(b) "Savings" includes receivables established from instances of fraud committed.

(2) If a fourth Michigan bridge card has been issued to a household in a 12-month period, the department shall notify the household that the household has reached the number of issued cards threshold. At a household's fifth and each subsequent card replacement request, a card will not be issued until a recipient from the household has spoken directly to the local office district manager or county director. The district manager or county director may issue a new Michigan bridge card based on the district manager's or county director's assessment of the recipient's situation and the recipient's explanation.

(3) As used in this section:

(a) "Food assistance trafficking" means the buying and selling of food assistance benefits for cash or items not authorized under 7 USC 2036b.

(b) "Inappropriate use" means not used to meet a family's ongoing basic needs, including, but not limited to, food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

Sec. 677. (1) The department shall establish a state goal for the percentage of family independence program cases involved in employment activities. The percentage established must not be less than 50%. The goal for long-term employment must be 15% of cases for 6 months or more.

(2) The department shall submit an annual report, providing quarterly data, to the standard report recipients on the number of cases referred to PATH, the current percentage of family independence program cases involved in PATH employment activities, an estimate of the current percentage of family independence program cases that meet federal work participation requirements on the whole, and an estimate of the current percentage of the family independence program cases that meet federal work participation requirements for those cases referred to PATH.

(3) The department shall submit a report to the standard report recipients. The report must include quarterly data on all of the following:

(a) The number and percentage of nonexempt family independence program recipients who are employed.

(b) The average and range of wages of employed family independence program recipients.

(c) The number and percentage of employed family independence program recipients who remain employed for 6 months or more.

Sec. 678. (1) From the funds appropriated in part 1 for family independence program – child supplemental payment, the department shall allocate $16,240,100.00 of TANF revenue to provide a supplemental payment for the current fiscal year for each child under 6 years of age within a family receiving cash assistance. Not later than

November 30 of the current fiscal year, the department shall distribute an equal payment based on the funds available in part 1 and the total number of children under 6 years of age who are within a family receiving cash assistance.

(2) From the funds appropriated in part 1 for family independence program – child supplemental payment, the department shall allocate $7,000,000.00 of TANF revenue to provide a supplemental payment for the current fiscal year for each child 6 years of age or older but under 14 years of age within a family receiving cash assistance. Not later than November 30 of the current fiscal year, the department shall distribute an equal payment based on the funds available in part 1 and the total number of children who are 6 years of age or older but under 14 years of age within a family receiving cash assistance.

(3) By February 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the amount of funding distributed under this section and shall include the number of family independence program cases, the number of family independence program eligible children by age group, and the amount of funding distributed by age category.

Sec. 686. (1) The department shall confirm that an individual who presents a personal identification issued by another state and is seeking assistance through the family independence program, food assistance program, state disability assistance program or medical assistance program is not receiving benefits from another state.

(2) The department shall confirm the address provided by an individual who is seeking family independence program benefits or state disability assistance benefits.

(3) The department shall prohibit an individual who has property assets assessed at a value higher than $200,000.00 from receiving assistance through a department-administered program, unless prohibiting assistance would violate a federal law or guideline.

(4) The department shall make a reasonable attempt to obtain an up-to-date telephone number for an individual seeking medical assistance benefits during the eligibility determination or redetermination process for the individual.

Sec. 687. (1) On a quarterly basis, the department shall compile and make available a report on its website that contains all of the following information about the family independence program, state disability assistance, the food assistance program, indigent burial, Medicaid, and state emergency relief:

(a) The number of applications received.

(b) The number of applications approved.

(c) The number of applications denied.

(d) The number of applications pending and neither approved nor denied.

(e) The number of cases opened.

(f) The number of cases closed.

(g) The number of cases at the beginning of the quarter and the number of cases at the end of the quarter.

(2) The department shall compile and make the information provided under subsection (1) available for this state as a whole and for each county and shall report the information separately for each program listed in subsection (1).

(3) On a quarterly basis, the department shall compile and make available a report on its website of the following family independence program information:

(a) The number of new applicants who successfully met the requirements of the 10-day assessment period for PATH.

(b) The number of new applicants who did not meet the requirements of the 10-day assessment period for PATH.

(c) The number of cases sanctioned because of a school truancy policy.

(d) The number of cases closed because of the lifetime limits.

(e) The number of first-, second-, and third-time sanctions.

(f) The number of children 0 to 5 years of age who are living in a family independence program-sanctioned household.

Sec. 689. (1) From the funds appropriated in part 1 for prenatal and infant support program, the department shall allocate $20,000,000.00 of TANF revenue for programs that are intended to improve the economic stability of households with very young children.

(2) In allocating the funds referenced in subsection (1), the department shall give preference to programs that demonstrate the following:

(a) Effectiveness in improving the economic stability of households with pregnant women at a minimum of 20 weeks gestation, and with young children.

(b) Partnerships with local health care providers and nonprofit human service agencies that provide for improved maternal and infant health outcomes.

(c) Compliance with TANF requirements established by the Administration for Children and Families within the United States Department of Health and Human Services.

(3) By September 30 of the current fiscal year, the department, through agreements with contracted implementing agencies, shall report to the standard report recipients information for the previous fiscal year on the aggregated demographic data of all program recipients regardless of underlying funding source. The report must include, but not be limited to, aggregated recipient data from contracted implementing agencies with each contracted implementing agency providing the age, race, ethnicity, Hispanic or Latino origin, federal poverty level, funding source, and zip codes of all program recipients.

CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE

Sec. 701. Unless required by a change to federal law or the law of this state or at the request of a provider, the department shall not alter the terms of a signed contract with a private residential facility that serves children who are under state or court supervision without receiving written consent from a representative of the private residential facility.

Sec. 702. Not later than November 10 of the current fiscal year, the department shall submit a report to the standard report recipients on all of the following:

(a) The number of youth who resided at the Shawono Center on January 24, 2025, who were moved to other juvenile residential facilities, listed by facility.

(b) The number of staff at the Shawono Center on January 24, 2025, who accepted new positions within the department. The information must include the number of staff who have relocated to the new Michigan youth treatment center.

(c) The number of staff at the Shawono Center on January 24, 2025, who are no longer employed by the department.

(d) The number of youth who resided at the Shawono Center on January 24, 2025, who returned to their homes.

Sec. 706. A county is subject to a 50% chargeback for the use of an alternative regional detention service, if the detention service does not fall under the basic grant provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates the detention service program primarily with professional rather than volunteer staff.

Sec. 707. To be reimbursed for child care fund expenditures, a county shall submit to the department the report required under section 117a(11) of the social welfare act, 1939 PA 280, MCL 400.117a, to enable the department to document a potential federally claimable expenditure.

Sec. 708. (1) As a condition of receiving funds appropriated in part 1 for the child care fund line item, by October 15 of the current fiscal year, a county shall have an approved service spending plan for the current fiscal year. Not later than August 15 of the current fiscal year, a county shall submit the county's service spending plan for the following fiscal year to the department for approval. The department shall approve a county's service spending plan not later than 30 calendar days after the department receives a properly completed service spending plan from the county that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The department shall notify and submit revisions to a service spending plan to a county whose service spending plan is not approved after initial submission. The department shall not request any additional revisions to a county's service spending plan outside of the requested revision notification submitted to the county by the department. The department shall notify a county that its service spending plan is approved not later than 30 days after the department considers the county's revisions to the county's service spending plan.

(2) A county shall submit an amendment to its county service spending plan for the current fiscal year to the department not later than August 30 of the current fiscal year. A county shall submit payable estimates for the current fiscal year to the department not later than September 15 of the current fiscal year.

(3) Not later than February 15 of the current fiscal year, the department shall submit a report to the standard report recipients on the number of counties that fail to submit a service spending plan by August 15 of the previous fiscal year and the number of service spending plans not approved by October 15. The report must include the number of county service spending plans that were not initially approved by the department and the number of service spending plans that were not approved by the department after being resubmitted by the county after revisions were requested by the department under subsection (1).

Sec. 709. The department's master contract for juvenile justice residential foster care services must prohibit a contractor from denying a referral for placing a youth, or terminating a youth's placement, if the youth's assessed treatment needs are in alignment with the facility's residential program type, as identified by a court or the department. The master contract must also require that a youth placed in a juvenile justice residential foster care facility has regularly scheduled treatment sessions with a licensed psychologist or a psychiatrist, or both, and access to the licensed psychologist or a psychiatrist as needed.

LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES

Sec. 801. The department shall submit a quarterly report that contains monthly data to the standard report recipients on the most recent food assistance program error rate derived from the active cases, reported to the United States Department of Agriculture Food and Nutrition Service for the supplemental nutrition assistance program.

Sec. 802. From the funds appropriated in part 1 for local office staff travel, the department shall allocate up to $100,000.00 annually toward reimbursing the out-of-pocket costs of county board members and county department directors to attend statewide meetings of the Michigan County Social Services Association.

Sec. 807. From the funds appropriated in part 1 for Elder Law of Michigan MiCAFE contract, the department shall allocate not less than $450,000.00 to the Elder Law of Michigan MiCAFE to assist this state's elderly population in participating in the food assistance program. Of the $450,000.00 allocated under this section, the department shall use $225,000.00 of general fund/general purpose revenue as state matching funds to receive not less than $225,000.00 in funding from the United States Department of Agriculture to provide outreach program activities as part of a statewide food assistance hotline. The outreach program activities may include eligibility screening and information services.

Sec. 825. (1) From the funds appropriated in part 1, the department shall provide an individual with not more than $2,000.00 for vehicle repairs, including a repair done in the previous 12 months. The $2,000.00 limit described in this section includes the combined total of payments made by the department and the work participation program.

(2) By February 1 of the current fiscal year, the department shall submit a report to the standard report recipients that details the total amount of funding distributed and the total number of payments made for vehicle repairs.

Sec. 826. (1) From the funds appropriated in part 1 for local office policy and administration, not less than $300,000.00 is allocated for the department to contract with the Prosecuting Attorneys Association of Michigan to provide the support and services necessary to increase the capability of this state's prosecutors, adult protective service system, and criminal justice system to effectively identify, investigate, and prosecute elder abuse and financial exploitation.

(2) Not later than March 1 of the current fiscal year, the Prosecuting Attorneys Association of Michigan shall submit a report to the department on the efficacy of the contract. The department shall submit the report to the standard report recipients not later than 30 days after the department receives the report from the Prosecuting Attorneys Association of Michigan.

Sec. 850. (1) The department shall maintain each out-stationed eligibility specialist in a community-based organization, community mental health agency, nursing home, adult placement and independent living setting, FQHC, and hospital, unless the community-based organization, community mental health agency, nursing home, adult placement and independent living setting, FQHC, or hospital requests to discontinue the positions at its facility.

(2) From the funds appropriated in part 1 for donated funds positions, the department shall enter into a contract with any agency that is able and eligible under federal law to provide the required matching funds for federal funding, as determined by federal law.

(3) A contract for a donated funds position for assistance payments must include, but not be limited to, performance metrics on both of the following topics:

(a) Meeting a standard of promptness for processing an application for Medicaid and other public assistance programs under the law of this state.

(b) Meeting required standards for error rates in determining programmatic eligibility, as determined by the department.

(4) The department shall fill an additional donated funds position only after a new contract has been signed with an agency. The position must be abolished when the contract expires or is terminated.

(5) The department shall classify as a limited-term FTE a new employee who is hired to fill a donated funds position contract or is hired to fill a vacancy from an employee who transferred to a donated funds position.

(6) By March 1 of the current fiscal year, the department shall submit a report to the standard report recipients detailing information on the donated funds positions. The report must include, but is not limited to, the total number of occupied positions, the total private contribution of the positions, and the total cost to this state for a nonsalary expenditure for the donated funds position employees.

Sec. 851. From the funds appropriated in part 1 for adult services local office staff, the department shall seek to reduce the number of older adults who are victims of crime and fraud by increasing the standard of promptness in every county, as measured by commencing an investigation not later than 24 hours after a report is made to the department, establishing face-to-face contact with the client not later than 72 hours after a report is made to the department, and completing the investigation not later than 30 days after a report is made to the department.

DISABILITY DETERMINATION SERVICES

Sec. 890. From the funds appropriated in part 1 for disability determination services, the department shall maintain the unit rates in effect on September 30, 2019 for medical consultants performing disability determination services, including physicians, psychologists, and speech-language pathologists.

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

Sec. 901. The department shall use the funds appropriated in part 1 to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or PIHPs in accordance with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, the Medicaid provider manual, federal Medicaid waivers, and all other applicable federal law and the law of this state.

Sec. 902. (1) From the funds appropriated in part 1, the department shall make a final authorization to a CMHSP or PIHP on the execution of a contract between the department and the CMHSP or PIHP. The contract must contain an approved plan and budget and any policy and procedure governing the obligations and responsibilities of each party to the contract. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection must include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately submit a report to the standard report recipients if either of the following occurs:

(a) The department enters into a new contract with a CMHSP or PIHP that would affect a rate or expenditure.

(b) The department amends a contract that the department has entered into with a CMHSP or PIHP that would affect a rate or expenditure.

(3) The report required by subsection (2) must include information about any changes to the contract and the change's effects on rates and expenditures.

Sec. 904. (1) Not later than September 30 of the current fiscal year, the department shall provide a report on the CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment to the standard report recipients that includes the information required by this section.

(2) The report required under subsection (1) must contain, unless otherwise noted, information for each CMHSP and PIHP and a statewide summary, as follows:

(a) A statewide summary of the demographic description of service recipients that, minimally, includes reimbursement eligibility, client population group, age, ethnicity, housing arrangements, and diagnosis.

(b) Per capita expenditures in total and by client population group.

(c) A statewide summary of Medicaid-funded cost information for the 3 diagnosis groups of adults with a mental illness, children with a serious emotional disturbance, and individuals with an intellectual or developmental disability. The statewide summary must, minimally, include expenditures by service category for each of the 3 diagnosis groups described in this subdivision and cases, units, and cost of each specific service code index or health care common procedure coding system code for each of the 3 diagnosis groups.

(d) Financial information on non-Medicaid mental health services by general fund cost reporting category.

(e) Information about access to each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment, that includes, but is not limited to, all of the following:

(*i*) The number of individuals receiving requested services.

(*ii*) The number of individuals who requested services but did not receive services.

(f) The number of second opinions requested under the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, and the determination of any appeals.

(g) Lapses and carryforwards during the previous fiscal year for each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment.

(h) Performance indicator information required to be submitted to the department in the contracts with each PIHP.

(i) Administrative expenditures of each CMHSP and PIHP that include a breakout of the salary, benefits, and pension of each executive-level staff, which includes, but is not limited to, the director, chief executive, and chief operating officer.

(3) The report required under subsection (1) must contain the following information from the previous fiscal year on substance use disorder prevention, education, and treatment programs:

(a) A statewide summary of the demographic description of service recipients that, minimally, must include reimbursement eligibility, primary substance of abuse, age, ethnicity, housing arrangements, and sex at birth.

(b) The expenditures stratified by department-designated regional entities for substance use disorder prevention and treatment, by fund source, by subcontractor, by population served, and by service type.

(c) The expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(d) The number of services provided by subcontractor and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

(e) The collections from other first- or third-party payers, private donations, or other state or local programs, by department-designated regional entities for substance use disorder prevention and treatment, by subcontractor, by population served, and by service type.

(f) Information about access to CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment that includes, but is not limited to, the following:

(*i*) The number of individuals receiving requested services.

(*ii*) The number of individuals who requested services but did not receive services.

(4) The department shall include the data reporting requirements described in subsections (2) and (3) in the department's annual contract with each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment.

(5) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment.

Sec. 907. (1) The department shall expend the amount appropriated in part 1 for community substance use disorder prevention, education, and treatment to coordinate care and services provided to individuals with severe and persistent mental illness and substance use disorder diagnoses.

(2) Each managing entity shall continue current efforts to collaborate on the delivery of services to clients with mental illness and substance use disorder diagnoses, with the goal of providing services in an administratively efficient manner.

Sec. 909. From the funds appropriated in part 1 for health homes, the department shall use available revenue from the marihuana regulatory fund established in section 604 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27604, to improve physical health, expand access to substance use disorder prevention and treatment services, and strengthen the existing prevention, treatment, and recovery systems.

Sec. 910. The department shall ensure that substance use disorder treatment is provided to applicants and recipients of public assistance through the department who are required to obtain substance use disorder treatment as a condition of eligibility for public assistance.

Sec. 911. (1) The department shall ensure that a contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage the diversion of individuals with a serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration, when appropriate.

(2) Each CMHSP or PIHP shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies, including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 912. The department shall contract directly with the Salvation Army Harbor Light program, at an amount not less than the amount provided during the fiscal year ending September 30, 2020, to provide non-Medicaid substance use disorder services if the local coordinating agency or the department confirms the Salvation Army Harbor Light program meets the standard of care established by the department. The standard of care must include, but is not limited to, using a medication assisted treatment option.

Sec. 914. Not later than June 1 of the current fiscal year, the department shall submit a report to the standard report recipients on outcomes of the funds provided in part 1 to the Michigan Clinical Consultation and Care program (MC3). The outcomes reported must include, but are not limited to, the number of same-day telephone consultations with primary care providers and the number of local resource recommendations made to primary care providers who are providing medical care to patients who need behavioral health services.

Sec. 915. From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment and opioid response activities, the department shall, to the extent possible, provide grants, pursuant to federal law, to local public entities that provide substance use disorder services and to 1 private entity that has a statewide contract to provide community-based substance use disorder services.

Sec. 916. From the funds appropriated in part 1 for behavioral health program administration, the department shall allocate $100,000.00 as a grant to a nonprofit mental health clinic located in a county with a population between 290,000 and 300,000 according to the most recent federal decennial census that provides counseling services, accepts clients regardless of their ability to pay for services through sliding scale copayments and volunteer services, and uses fundraising to support their clinic.

Sec. 917. (1) From the funds appropriated in part 1 for opioid response activities, the department shall allocate $55,000,000.00 from the Michigan opioid healing and recovery fund created under section 3 of the Michigan trust fund act, 2000 PA 489, MCL 12.253, to programs and services to address the opioid crisis in a manner consistent with the opioid judgement, settlement, or compromise of claims pertaining to violations, or alleged violations, of law related to the manufacture, marketing, distribution, dispensing, or sale of opioids. The funds must be allocated as follows:

(a) $9,750,000.00 must be allocated for primary prevention activities, including:

(*i*) $1,000,000.00 for public health awareness and education campaigns.

(*ii*) $2,000,000.00 for support of families impacted by the opioid epidemic.

(*iii*) $3,500,000.00 to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, providing recreational therapy, healthy living, and substance use intervention services in a city with a population between 100,000 and 600,000 in a county with a population greater than 1,700,000, according to the most recent federal decennial census, for a substance use disorder services program that implements evidence-based interventions and education campaigns to prevent substance use among at-risk youth.

(*iv*) The remainder for primary prevention activities.

(b) $13,500,000.00 must be allocated for harm reduction, including:

(*i*) $10,500,000.00 to support harm reduction agencies.

(*ii*) $3,000,000.00 for Naloxone distribution.

(c) $10,250,000.00 must be allocated to substance use disorder treatment, including:

(*i*) $5,000,000.00 for workforce development programming.

(*ii*) $250,000.00 for access to treatment in jails.

(*iii*) $5,000,000.00 for expansion of evidence-based treatment programming.

(d) $15,000,000.00 must be allocated for recovery investments, including:

(*i*) $3,000,000.00 for recovery and permanent housing developments.

(*ii*) $12,000,000.00 for recovery and sober living organizations.

(e) $4,500,000.00 must be allocated for informed decision-making and evaluation of investments, including:

(*i*) $2,500,000.00 for oversight and grants management.

(*ii*) $2,000,000.00 for data to inform investments and evaluation progress.

(f) $2,000,000.00 must be allocated for stand-alone investments, including $2,000,000.00 to invest in tribal communities.

(2) If any allocations remain after the completion of the projects listed in subsection (1)(a) to (f), the department may expend remaining funds for additional opioid response activities that are consistent with the purposes outlined in this section.

(3) On a semiannual basis, the department shall submit to the standard report recipients a report on all of the following:

(a) Total revenues deposited into and expenditures and encumbrances from the Michigan opioid healing and recovery fund since the creation of the fund.

(b) Revenues deposited into and expenditures and encumbrances from the Michigan opioid healing and recovery fund during the previous 6 months.

(c) Estimated revenues to be deposited into and the spending plan for the Michigan opioid healing and recovery fund for the next 12 months.

Sec. 918. On a quarterly basis, providing monthly data, the department shall submit a report to the standard report recipients on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program. The report must include information on the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, the number of cases in each eligibility group for each PIHP, and a year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 920. As part of the Medicaid rate-setting process for behavioral health services, the department shall work with PIHP network providers and actuaries to include, as part of the Medicaid rate, state and federal wage and compensation increases that directly impact staff who provide Medicaid-funded community living supports, personal care services, respite services, skill-building services, and other supports and services that the department determines are similar.

Sec. 922. From the funds appropriated in part 1 for behavioral health program administration, the department shall allocate $600,000.00 to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and is located in a city with a population between 66,000 and 67,000, according to the most recent federal decennial census, to administer an online and interactive version of the protected health information consent tool and make any revisions to the tool to reflect any recent legislative changes. The contracting entity that receives funds appropriated under this section shall also develop accompanying trainings and resources for users. Additionally, the contracting entity that receives funds appropriated under this section shall work closely with the Michigan Health Information Network Shared Services and the department to develop the technical specifications for integrating the protected health information consent tool with other relevant systems and applications, including, but not limited to, CareConnect360.

Sec. 924. From the funds appropriated in part 1, for the purposes of actuarially sound rate certification and approval for Medicaid behavioral health managed care programs, the department shall maintain a fee schedule for autism services reimbursement rates for direct services. Expenditures used for rate setting shall not exceed the rates identified in the fee schedule. The fee schedule must include a rate for behavioral technicians that is not less than $66.00 per hour.

Sec. 926. (1) From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment, $1,000,000.00 is allocated for a specialized substance use disorder detoxification project administered by a 9-1-1 service district in conjunction with a substance use and case management provider. The project must be located at a hospital within a 9-1-1 service district with at least 600,000 residents and 15 member communities and that is located within a county with a population of at least 1,500,000 according to the most recent federal decennial census.

(2) The substance use and case management provider receiving funds under this section shall collect and submit to the department data on the outcomes of the project throughout the duration of the project and the department shall submit a report on the project's outcomes to the standard report recipients.

Sec. 928. (1) Each PIHP shall provide, from the PIHP's internal resources, local funds to be used as a part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. The local funds must not include either of the following:

(a) State funds received by a CMHSP for services provided to non-Medicaid recipients.

(b) The state matching portion of the Medicaid capitation payments made to a PIHP.

(2) Not later than April 1 of the current fiscal year, the department shall report to the standard report recipients on the lapse by PIHP from the previous fiscal year and the projected lapse by PIHP in the current fiscal year.

Sec. 929. From the funds appropriated in part 1 for Michigan Clinical Consultation and Care, the department shall allocate at least $325,000.00 to address needs in a city in which a declaration of emergency was issued because of drinking water contamination.

Sec. 935. A county required under the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in the county's jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1 of the current fiscal year.

Sec. 940. (1) In accordance with section 236 of the mental health code, 1974 PA 258, MCL 330.1236, the department shall review expenditures for each CMHSP to identify any CMHSP with a projected allocation surplus and to identify any CMHSP with a projected allocation shortfall. The department shall encourage the board of a CMHSP with a projected allocation surplus to concur with the department's recommendation to reallocate the projected surplus to a CMHSP with a projected allocation shortfall.

(2) A CMHSP that has its projected surplus reallocated during the current fiscal year as described in subsection (1) is not eligible for an additional funding reallocation during the remainder of the current fiscal year, unless the CMHSP is responding to a public health emergency as determined by the department.

(3) A CMHSP shall report to the department on a proposed reallocation described in this section at least 30 days before the reallocation takes effect.

(4) The department shall notify the chairs of the appropriation subcommittees on the department budget when a request is made and when the department grants approval for a reallocation described in subsection (1). Not later than February 1 of the current fiscal year, the department shall submit a report on the amount of funding reallocated in the previous fiscal year to the standard report recipients.

Sec. 942. A CMHSP shall provide at least 30 days' notice before reducing, terminating, or suspending a service provided by the CMHSP to a CMHSP client, unless the service is authorized by a physician and the service no longer meets established criteria for medical necessity.

Sec. 960. (1) From the funds appropriated in part 1 for autism services, the department shall continue to cover all Medicaid autism services to Medicaid enrollees eligible for the services that were covered on January 1, 2019.

(2) To restrain cost increases in the autism services line item, the department shall do all of the following:

(a) Not later than March 1 of the current fiscal year, develop and implement specific written guidance for standardization of Medicaid PIHPs and CMHSPs autism spectrum disorder administrative services, including, but not limited to, reporting requirements, coding, and reciprocity of credentialing and training between PIHPs and CMHSPs to reduce administrative duplication at the PIHP, CMHSP, and service provider levels.

(b) Require consultation with the client's evaluation diagnostician and PIHP to approve the client's ongoing therapy for 3 years, unless the client's evaluation diagnostician recommended an evaluation before the 3 years or if a clinician on the treatment team recommended an evaluation for the client before the third year.

(c) Limit the authority to perform a diagnostic evaluation for Medicaid autism services to qualified licensed practitioners as determined by the department.

(d) Allow and expand the utilization of telemedicine and telepsychiatry to increase access to diagnostic evaluation services.

(e) Coordinate with the department of insurance and financial services on oversight for compliance with the Paul Wellstone and Pete Domenici mental health parity and addiction equity act of 2008, Public Law 110-343, as it relates to autism spectrum disorder services, to ensure appropriate cost sharing between public and private payers.

(f) Require that Medicaid eligibility be confirmed through prior evaluations conducted by qualified licensed practitioners as determined by the department.

(g) Maintain regular statewide provider trainings on autism spectrum disorder standard clinical best practice guidelines for treatment and diagnostic services.

(3) By March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on total autism services spending broken down by PIHP and CMHSP for the previous fiscal year and current fiscal year and total administrative costs broken down by PIHP, CMHSP, and the type of administrative cost for the previous fiscal year and current fiscal year.

Sec. 962. For special projects involving high-need children or adults, including the not guilty by reason of insanity population, the department may contract directly with providers of services to the children and adults described in this section.

Sec. 965. From the funds appropriated in part 1, the department and each PIHP shall maintain the comparison rate and any associated reimbursement rate of the bundled rate H0020 for the administration and services of methadone at not less than $19.00.

Sec. 972. From the funds appropriated in part 1 for behavioral health program administration, the department shall allocate not less than $9,386,400.00 of general fund/general purpose revenue and any associated federal match or federal grant funding, including, but not limited to, associated federal 988 grant funding for the mental health telephone access line known as the Michigan crisis and access line (MiCAL), to provide for both of the following in accordance with section 165 of the mental health code, 1974 PA 258, MCL 330.1165:

(a) Primary coverage in a region where a regional national suicide prevention lifeline center does not provide coverage.

(b) Statewide secondary coverage.

Sec. 974. The department and a PIHP shall allow an individual with an intellectual or developmental disability who receives supports and services from a CMHSP to instead receive supports and services from another provider if the individual is eligible and qualified to receive supports and services from another provider. Other providers may include, but are not limited to, MIChoice and PACE.

Sec. 978. From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment and recovery community organizations, the department shall allocate $1,200,000.00 as grants for recovery community organizations in accordance with section 273b of the mental health code, 1974 PA 258, MCL 330.1273b. A grant must be used to offer or expand recovery support center services or recovery community center services to individuals seeking long-term recovery from substance use disorders.

Sec. 994. (1) Not later than June 1 of the current fiscal year, the department shall seek, if necessary, federal approval through either a waiver request or state plan amendment to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be considered in compliance with state program review and audit requirements that are addressed and reviewed by that national accrediting entity.

(2) Not later than September 30 of the current fiscal year, the department shall report to the standard report recipients all of the following:

(a) The status of the federal approval process required in subsection (1).

(b) A list of each CMHSP, PIHP, and subcontracting provider agency that is considered to be in compliance with state program review and audit requirements under subsection (1).

(c) For each CMHSP, PIHP, or subcontracting provider agency described in subdivision (b), both of the following:

(*i*) The state program review and audit requirements that the CMHSP, PIHP, or subcontracting provider agency is considered to be in compliance with.

(*ii*) The national accrediting entity that reviewed and accredited the CMHSP, PIHP, or subcontracting provider agency.

(3) The department shall continue to comply with the laws of this state and federal law and shall not initiate an action that negatively impacts beneficiary safety. Any cost savings attributed to this action must be reinvested back into services.

(4) As used in this section, "national accrediting entity" means the Joint Commission, formerly known as the Joint Commission on Accreditation of Healthcare Organizations; the Commission on Accreditation of Rehabilitation Facilities; the Council on Accreditation; the URAC, formerly known as the Utilization Review Accreditation Commission; the National Committee for Quality Assurance; or another appropriate entity, as approved by the department.

Sec. 995. (1) From the funds appropriated in part 1 for mental health diversion council, the department shall allocate $3,850,000.00 to continue to implement the jail diversion programs that are intended to address the recommendations of the mental health diversion council.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the planned allocation of the funds appropriated for the mental health diversion council.

(3) As used in this section, "mental health diversion council" means the council as that term is defined in section 207e of the mental health code, 1974 PA 258, MCL 330.1207e.

Sec. 996. From the funds appropriated in part 1 for family support subsidy, the department shall make monthly payments of $300.36 to a parent or legal guardian of a child approved for the family support subsidy by a CMHSP.

Sec. 997. The department shall use population data from the most recent federal data from the United States Census Bureau in determining the distribution of substance use disorder block grant funds.

Sec. 998. If the department decides to use census data to distribute state general funds to CMHSPs, the department shall use the most recent federal data from the United States Census Bureau.

BEHAVIORAL HEALTH SERVICES

Sec. 1001. Not later than May 15 of the current fiscal year, each CMHSP shall submit a report to the department that identifies populations being served by the CMHSP broken down by program eligibility category. The report must also include the percentage of the operational budget that is related to program eligibility enrollment. Not later than June 30 of the current fiscal year, the department shall submit the reports described in this section to the standard report recipients.

Sec. 1002. The funds appropriated in part 1 must not be used by the department to expand the certified community behavioral health clinic demonstration.

Sec. 1003. The department shall notify the Community Mental Health Association of Michigan when developing a policy or procedure that will impact a PIHP or CMHSP.

Sec. 1004. The department shall submit a report to the standard report recipients on any rebased formula changes to either Medicaid behavioral health services or non-Medicaid mental health services 90 days before the department implements the formula change. The notification must include a table showing the changes in funding allocation by PIHP for Medicaid behavioral health services or by CMHSP for non-Medicaid mental health services.

Sec. 1005. (1) From the funds appropriated in part 1 for health homes, the department shall maintain the number of behavioral health homes and maintain the number of substance use disorder health homes, in place by PIHP region as of September 30 of the previous fiscal year. The department may expand the number of behavioral health homes and the number of substance use disorder health homes in a PIHP region added after October 1 of the current fiscal year.

(2) On a semiannual basis, the department shall submit a report to the standard report recipients on the number of individuals being served and expenditures incurred by each PIHP region by site.

Sec. 1006. (1) From the funds appropriated in part 1 for certified community behavioral health clinics, not later than May 1 of the current fiscal year the department shall submit to the standard report recipients an outcomes report for CCBHCs during the previous fiscal year that includes both statewide and CCBHC site-specific information on all of the following:

(a) The total number of distinct individuals served by the CCBHCs.

(b) The percentage of individuals served by the CCBHCs that were Medicaid recipients.

(c) The percentage of individuals served by the CCBHCs that were not Medicaid recipients.

(d) The total number of CCBHC daily visits.

(e) Total number of CCBHC services provided, broken down by the 9 core CCBHC services.

(f) Total expenditures from base and supplemental payments.

(g) Staffing and staff vacancy levels of the CCBHCs.

(h) The amount of prospective payment system rates for each CCBHC over the entire demonstration period allocated across the 9 service types.

(i) The total expenditures by CCBHC in the previous fiscal year.

(j) The total cost factors and implications in interpreting how CCBHCs deliver care over the course of the demonstration period.

(k) The comparison of costs for a random sample of enrollees between care provided by a CCBHC provider and a Medicaid provider that is not a CCBHC. The sample must include participants known to have received services at CCBHC providers and Medicaid providers that are not CCBHCs.

(2) From the funds appropriated in part 1 for certified community behavioral health clinics, the department shall submit the CCBHC cost efficiency evaluation to the standard report recipients not later than 7 business days after the department's receipt of the final information required from the relevant contractors.

Sec. 1008. (1) A PIHP and CMHSP shall do all of the following:

(a) Work to reduce administration costs by ensuring that PIHP and CMHSP responsible functions are efficient in allowing optimal transition of dollars to the direct services considered most effective in assisting individuals served. Any consolidation of administrative functions must demonstrate, by independent analysis, a reduction in dollars spent on administration resulting in greater dollars spent on direct services. Savings resulting from increased efficiencies must not be applied to PIHP and CMHSP net assets, internal service fund increases, building costs, increases in the number of PIHP and CMHSP personnel, or other areas not directly related to the delivery of improved services.

(b) Take an active role in managing mental health care by ensuring consistent and high-quality service delivery throughout its network and promote a conflict-free care management environment.

(c) Ensure that direct service rate variances are related to the level of need or other quantifiable measures to ensure that the most money possible reaches direct services.

(d) Whenever possible, promote fair and adequate direct care reimbursement, including, but not limited to, fair wages for direct service workers.

(2) Not later than June 30 of the current fiscal year, the department shall submit a report to the standard report recipients on any actual reduction of administrative costs over the prior 2 fiscal years.

Sec. 1010. (1) The department shall use the funds appropriated in part 1 for behavioral health community supports and services to reduce waiting lists at state-operated hospitals and centers through cost-effective community-based and residential services, including, but not limited to, assertive community treatment, forensic assertive community treatment, crisis stabilization units in accordance with chapter 9A of the mental health code, 1974 PA 258, MCL 330.1971 to 330.1979, and psychiatric residential treatment facilities in accordance with section 137a of the mental health code, 1974 PA 258, MCL 330.1137a.

(2) From the funds appropriated in part 1 for behavioral health community supports and services, the department shall allocate $30,450,000.00 to reimburse private providers for intensive psychiatric treatments and services that are provided outside of state-operated hospitals and centers and for support efforts related to overseeing community-based programs placement.

(3) If a private provider has an existing wait list for intensive psychiatric treatments and services, a reimbursement to the private provider under this section must not be conditioned on the private provider giving wait-list priority to individuals placed with funds appropriated in this section.

(4) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on all of the following:

(a) The types of community supports and services purchased.

(b) The quantity, measured by days or other relevant unit of service, of each community support and service purchased.

(c) The quantifiable impact of the purchase of community supports and services, including the number of individuals served, the number of successful discharges, and the number of re-escalations to either the discharging entity or a state psychiatric hospital.

Sec. 1014. (1) From the funds appropriated in part 1 to agencies providing physical and behavioral health services to multicultural populations, the department shall award grants in accordance with the requirements of subsections (2) and (3). This state is not liable for any spending above the contract amount. The department shall not release funds until reporting requirements under section 1014 of article 6 of 2024 PA 121 are satisfied.

(2) The department shall require each contractor described in subsection (1) that receives greater than $1,000,000.00 in state grant funding to comply with performance-related metrics to maintain their eligibility for funding. The performance-related metrics shall include, but not be limited to, all of the following:

(a) Each contractor or subcontractor shall have accreditations that attest to their competency and effectiveness as behavioral health and social service agencies.

(b) Each contractor or subcontractor shall have a mission that is consistent with the purpose of the multicultural agency.

(c) Each contractor shall validate that any subcontractors utilized within these appropriations share the same mission as the lead agency receiving funding.

(d) Each contractor or subcontractor shall demonstrate cost-effectiveness.

(e) Each contractor or subcontractor shall ensure their ability to leverage private dollars to strengthen and maximize service provision.

(f) Each contractor or subcontractor shall provide timely and accurate reports regarding the number of clients served, units of service provision, and ability to meet their stated goals.

(3) The department shall require each contractor described in subsection (1) to ensure that the funds appropriated in this section are only used on proven or established programs.

(4) The department shall require an annual report from the contractors described in subsection (2). The annual report, due 60 days following the end of the contract period, must include specific information on services and programs provided, the client base to which the services and programs were provided, information on any wraparound services provided, and the expenditures for those services. Not later than February 1 of the current fiscal year, the department must submit the annual reports to the standard report recipients.

Sec. 1034. (1) PIHPs must verify, on a quarterly basis, to the department and to the standard report recipients that every provider within the PIHP's provider network receives not less than the applicable reimbursement rates or fees required in sections 924 and 231 of this part. The verification under this subsection must provide actual claims and utilization data.

(2) The department shall seek CMS approval to exclude PIHPs that are not compliant with subsection (1) from all performance incentives available to PIHPs.

(3) The department shall audit the claims and utilization data provided in this section. If the department audit determines that a PIHP reimburses any provider within that PIHP's provider network at a rate less than the applicable reimbursement rates or fees required in sections 924 and 231 of this part, the department shall notify that PIHP that it is not eligible for performance incentives funded in part 1. Not later than 10 days after a notification to a PIHP under this subsection, the department shall notify the standard report recipients that the PIHP is not eligible for performance incentives funded in part 1.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 1051. The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. A portion of revenues collected through the project's efforts may be used for departmental costs and contractual fees associated with retroactive collections under the project and to improve ongoing departmental reimbursement management functions.

Sec. 1052. The department shall use gifts and bequests received for patient living and treatment environments for additional private funds to provide specific enhancements for individuals residing at state-operated facilities. The department shall use the gifts and bequests consistent with the stipulation of the donor. The department shall use gift and bequest donations within 3 years unless otherwise stipulated by the donor.

Sec. 1055. (1) The department shall not implement a closure or consolidation of a state hospital, center, or agency, until each CMHSP or PIHP affected by the closure or consolidation has programs and services in place for the individuals currently in the hospital, center, or agency that is to be closed or consolidated, and has a plan for providing services to the individuals who would have been admitted to the hospital, center, or agency.

(2) A closure or consolidation is dependent on adequate department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each individual currently in a facility described in subsection (1). A discharge and aftercare plan must address an individual's housing needs. A homeless shelter or similar temporary shelter arrangement is inadequate to meet an individual's housing needs.

(3) Four months after a closure is certified under section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the standard report recipients.

(4) On the closure of a hospital, center, or agency and after transitional costs have been paid, the remaining balances of funds appropriated for the hospital, center, or agency must be transferred to CMHSPs or PIHPs responsible for providing services for individuals previously served by the hospital, center, or agency.

Sec. 1056. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of patient placement in state hospitals and centers. The department may adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The department shall use the revenue carried forward as a first source of funds in the subsequent year.

Sec. 1058. Effective October 1 of the current fiscal year, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or more private contractors to provide food and custodial services for the administrative areas at a state hospital identified by the department as capable of generating savings through the outsourcing of food and custodial services.

Sec. 1059. (1) The department shall identify specific outcomes and performance measures for state-operated hospitals and centers. Unless specified, the outcomes and performance measures must be calculated on an average monthly basis from the previous calendar year, as follows:

(a) The average wait time from the time of the receipt of a court order for the treatment of an individual who is determined incompetent to stand trial until the individual's admission to the center for forensic psychiatry or other state-operated psychiatric hospital.

(b) The average number of individuals determined not guilty by reason of insanity by an order of the court who, on the first day of each month, are waiting to receive admission into the center for forensic psychiatry or other state-operated psychiatric hospital.

(c) The average number of adults who, on the first day of each month, are waiting to receive admission into another state-operated hospital or center through the civil admissions process.

(d) The average number of children who, on the first day of each month, are waiting to receive admission into another state-operated hospital or center through the civil admissions process.

(e) The average wait time for an adult who is awaiting admission into another state-operated hospital or center through the civil admissions process.

(f) The average wait time for a child who is awaiting admission into another state-operated hospital or center through the civil admissions process.

(g) The number of individuals determined not guilty by reason of insanity or incompetent to stand trial by an order of the court who have been determined to be ready for discharge to the community, and the average wait time between being determined to be ready for discharge to the community and actual community placement.

(h) The number of adults admitted through the civil admission process that have been determined to be ready for discharge to the community, and the average wait time between being determined to be ready for discharge to the community and actual community placement.

(i) The number of children admitted through the civil admission process that have been determined to be ready for discharge to the community, and the average wait time between being determined to be ready for discharge to the community and actual community placement.

(j) The most recent 12-month total number of individuals determined not guilty by reason of insanity by an order of the court ordering the individual to be admitted into the center for forensic psychiatry or other state-operated psychiatric hospital.

(k) The most recent 12-month total number of adults requested to be admitted to a state-operated hospital or center through the civil admissions process.

(*l*) The most recent 12-month total number of children requested to be admitted to a state-operated hospital or center through the civil admissions process.

(m) The number of individuals determined not guilty by reason of insanity by an order of the court who were removed from the admissions waiting list and the reason for the removal from the admissions waiting list.

(n) The number of adults awaiting admission through the civil admission process removed from the admission waiting list and the reason for the removal from the admission waiting list.

(o) The number of children awaiting admission through the civil admission process removed from the admission waiting list and the reason for the removal from the admission waiting list.

(p) The number of individuals determined not guilty by reason of insanity by an order of the court and not admitted into the center for forensic psychiatry or other state-operated hospital or center, and the rationale for the individual not being admitted.

(q) The number of adults not admitted into the other state-operated hospitals or centers through the civil admissions process and the rationale for the individual not being admitted.

(r) The number of children not admitted into a state-operated hospital or center through the civil admission process and the rationale for the individual not being admitted.

(2) Not later than April 1 of the current fiscal year, the department shall submit a report to the standard report recipients of this part on the outcomes and performance measures required under subsection (1).

Sec. 1060. Not later than March 1 of the current fiscal year, the department shall submit a report on mandatory overtime, staff turnover, and staff retention at the state psychiatric hospitals and centers to the standard report recipients. The report must include, but is not limited to, the following:

(a) The number of direct care and clinical staff positions that are currently vacant by hospital, and how that number compares to the number of vacancies during the previous fiscal year.

(b) A breakdown of voluntary and mandatory overtime hours worked by position and by hospital, and how that breakdown compares to the breakdown of voluntary and mandatory overtime hours during the previous fiscal year.

(c) The ranges of wages paid by position and by hospital, and how the ranges of wages paid compare to wages paid during the previous fiscal year.

Sec. 1061. (1) On a semiannual basis, the department shall report to the standard report recipients a status update on the construction of the new state psychiatric hospital that will house both children and adults. The report must include, but is not limited to, an estimated timeline for completion and any obstacles that have caused a delay in construction progress.

(2) Not later than March 1 of the current fiscal year, the department shall report to the standard report recipients a proposed transition plan for the transfer of children and adults currently residing at the Walter P. Reuther Psychiatric Hospital to the newly constructed state psychiatric hospital. Additionally, the report must include a plan for either the future use or the demolition of the Walter P. Reuther Psychiatric Hospital, and an estimated cost for both a plan for a future use and a plan for demolition of Walter P. Reuther Psychiatric Hospital.

Sec. 1063. (1) From the funds appropriated in part 1 for southeast Michigan state psychiatric hospital and Walter P. Reuther - psychiatric hospital – adult, children and adolescents, the department shall maintain a psychiatric transitional unit and children's transition support team. The unit and support team described in this subsection shall augment the continuum of behavioral health services for high-need youth and provide additional continuity of care and transition into supportive community-based services.

(2) The outcome and performance measures for the unit and support team described in subsection (1) include, but are not limited to, the following:

(a) The rate of rehospitalization for youth served through the unit or support team at 30 and 180 days.

(b) The measured change in the Michigan Child and Adolescent Needs and Strengths tool for youth and families served through the unit or support team.

HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES

Sec. 1140. From the funds appropriated in part 1 for primary care services, $400,000.00 is allocated to free health clinics operating in this state. The department shall distribute the funds equally to each free health clinic. As used in this section, "free health clinic" means a nonprofit organization that uses a volunteer health professional to provide care to an uninsured individual.

Sec. 1143. From the funds appropriated in part 1 for primary care services, the department shall allocate no less than $675,000.00 for island primary health care access and services including island clinics, in the following amounts:

(a) Beaver Island, $250,000.00.

(b) Mackinac Island, $250,000.00.

(c) Drummond Island, $150,000.00.

(d) Bois Blanc Island, $25,000.00.

Sec. 1145. The department shall take steps necessary to work with the Indian Health Service, tribal health program facilities, or Urban Indian Health Program facilities, that provide services under a contract with a Medicaid managed care entity to ensure that the facilities described in this section receive the maximum amount allowable under federal law for Medicaid services.

Sec. 1146. From the funds appropriated in part 1 for domestic violence prevention and treatment, the department shall allocate $1,000,000.00 to support programs that serve survivors of domestic violence, sexual violence, and human trafficking. The funds appropriated in this section must be allocated in the following manner:

(a) $500,000.00 must be allocated to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that is located in a city with a population between 10,000 and 15,000 and in a county with a population between 35,000 and 36,900, according to the most recent federal decennial census. To be eligible for funding under this subsection, the nonprofit organization must be a statewide tribal domestic violence and sexual assault coalition serving the tribes located in this state.

(b) $500,000.00 must be allocated to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, with a stated mission of being dedicated to the empowerment of all the state's survivors of domestic violence, sexual violence, and human trafficking and to develop and promote comprehensive efforts aimed at eliminating all forms of domestic and sexual violence, including human trafficking, in Michigan.

Sec. 1153. From the funds appropriated in part 1 for crime victim rights sustaining grants, the department shall allocate $102,600.00 of state general fund/general purpose revenue for a sexual assault nurse examiners program at a hospital that is located in a city with a population between 21,600 and 21,700 in a county with a population between 64,300 and 64,400, according to the most recent federal decennial census. The funds allocated under this section must be used to support staff compensation and training, victim needs, and community awareness, education, and prevention programs.

Sec. 1155. (1) From the funds appropriated in part 1 for the uniform statewide sexual assault evidence kit tracking system, in accordance with the final report of the Michigan sexual assault evidence kit tracking and reporting commission, the department shall allocate $369,500.00 for administering a uniform statewide sexual assault evidence kit tracking system. The system must include all of the following:

(a) A uniform statewide system to track the submission and status of sexual assault evidence kits.

(b) A uniform statewide system to audit untested kits that were collected on or before March 1, 2015 and were released by victims to law enforcement.

(c) Secure electronic access for victims.

(d) The ability to accommodate concurrent data entry with kit collection through mechanisms that include, but are not limited to, web entry through computers or smartphones, and through scanning devices.

(2) The sexual assault evidence tracking fund established in section 1451 of 2017 PA 158 shall continue to be maintained in the department of treasury. Money in the sexual assault evidence tracking fund at the close of a fiscal year remains in the sexual assault evidence tracking fund, does not revert to the general fund, and is appropriated as provided by law for the development and implementation of a uniform statewide sexual assault evidence kit tracking system as described in subsection (1).

Sec. 1157. (1) From the funds appropriated in part 1 for child advocacy centers - supplemental grants, the department shall allocate $2,000,000.00 to provide additional funding to child advocacy centers to support the general operations of child advocacy centers. The department shall allocate the additional funding to each center according to the formula under this section. The department shall set a formula in consultation with children's advocacy centers of Michigan (CAC-MI) to allocate the additional funding. The formula must include base funding for each program and factors, such as the number of children in the service area, square miles of the service area, and prior service levels. The purpose of the additional funding is to increase the amount of services provided to children and their families who are victims of abuse over the amount provided in the previous fiscal year.

(2) Not later than March 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the distribution of child advocacy center – supplemental grants funding from the previous fiscal year. The report must include the amount allocated to each specific child advocacy center or other community-based child protection entity, including, but not limited to, child abuse councils.

Sec. 1158. From the funds appropriated in part 1 for crime victim rights sustaining grants, the department shall allocate $29,897,400.00 to supplement the loss of federal victims of crime act and state crime victim rights funding. The department must distribute the funds consistent with the regular allocation formula for crime victim justice grants and crime victim rights services grants.

Sec. 1159. (1) From the funds appropriated in part 1 for community health programs, the department shall support preventive health supports and services in regions with high health care access and outcome disparities. The department shall use the funds appropriated pursuant to this section to provide for all of the following:

(a) Financial support for the operation of community-based health clinics. A community-based health clinic shall provide preventive health supports and services, be established in communities with high social vulnerability and health disparities, and be operated in cooperation with trusted community partners with demonstrated experience in serving as an access point for preventive health supports and services.

(b) Financial support for the operation of healthy community zones. The healthy community zones must utilize long-term strategies to address access to healthy food, affordable housing, and safety networks.

(c) Financial support for the operation of mobile health units to provide preventive health supports and services for individuals residing in areas with high disparities in health care outcomes and access.

(2) Not later than March 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the outcome of the community health programs described in subsection (1). The report must include, but is not limited to, all of the following:

(a) The list of communities served.

(b) The types of health services offered by grant recipients.

(c) A spending report from the grant recipients.

Sec. 1160. Not later than March 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the distribution of crime victim rights justice assistance grants, crime victim rights services grants, and crime victim rights sustaining grants from the previous fiscal year. The report must include the amount allocated to nonprofit agencies for crime victim services listed by agency and the amount of funding that the department has used for administrative purposes.

EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY

Sec. 1180. From the funds appropriated in part 1 for epidemiology administration and for childhood lead program, the department shall maintain a public health drinking water program and maintain enhanced efforts to monitor child blood lead levels. The public health drinking water program shall ensure that appropriate investigations of potential health hazards occur for all community and noncommunity drinking water supplies where chemical exceedances of action levels, health advisory levels, or maximum contaminant limits are identified. The goals of the childhood lead program must include improving the identification of children affected by lead exposure, improving the timeliness of case follow-up, and attaining nurse care management for children with lead exposure, and to achieve a long-term reduction in the percentage of children in this state with elevated blood lead levels.

Sec. 1181. From the funds appropriated in part 1 for epidemiology administration, the department shall maintain a vapor intrusion response program. The vapor intrusion response program shall assess risks to public health at vapor intrusion sites and respond to vapor intrusion risks if appropriate. The goals of the vapor intrusion response program must include reducing the number of individuals who are exposed to toxic substances through vapor intrusion and improving health outcomes for individuals who are identified as having been exposed to vapor intrusion.

Sec. 1182. Not later than April 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the expenditures and activities undertaken by the lead abatement program during the previous fiscal year using the funds previously appropriated for the healthy homes program. The report must include, but is not limited to, a funding allocation schedule, the expenditures by category of expenditure and by subcontractor, a description of program elements, the number of housing units abated of lead-based paint hazards by zip code, and a description of program accomplishments and progress.

LOCAL HEALTH AND ADMINISTRATIVE SERVICES

Sec. 1220. The amount appropriated in part 1 for implementation of the 1993 additions of or amendments to sections 9161, 16221, 16226, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17015, and 333.17515, must be used to reimburse local health departments for costs incurred to implement section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 1221. If a county that participates in a district health department or has an associated arrangement with another local health department takes action to stop participating in that arrangement after October 1 of the current fiscal year, the department may assess a penalty from the local health department's operational accounts in an amount equal to no more than 6.25% of the local health department's essential local public health services funding. The department shall assess a penalty only if a county requests the dissolution of the health department.

Sec. 1222. (1) The department shall prospectively allocate funds appropriated in part 1 for essential local public health services to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. The department shall consult with the department of agriculture and rural development before allocating funds for food protection under this section. The department shall consult with the department of environment, Great Lakes, and energy before allocating funds for public water supply, private groundwater supply, and on-site sewage management under this section.

(2) The department shall not distribute funds under subsection (1) to a county unless the county maintains local spending in the current fiscal year in an amount that is equal to or exceeds the amount the county expended in fiscal year 1992-1993 for the services described in subsection (1).

(3) Not later than February 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the planned allocation of the funds appropriated for essential local public health services.

(4) The department shall continue to implement the distribution formula for allocating essential local public health services funding to local health departments as specified in section 1234 of article X of 2018 PA 207.

(5) From the funds appropriated in part 1 for essential local public health services, each local public health department is allocated not less than the amount allocated to that local public health department during the previous fiscal year.

Sec. 1227. The department shall establish criteria for all funds allocated for health and wellness initiatives. The criteria must include a requirement that a program receiving funding is evidence-based and supported by research, includes interventions that have been shown to demonstrate outcomes that lower cost and improve quality, and is designed for statewide impact. The department shall give preference to a program that uses the funding as match for additional resources, including, but not limited to, federal sources.

Sec. 1231. (1) From the funds appropriated for local health services, up to $4,750,000.00 is allocated for grants to local health departments to support PFAS response and emerging public health threat activities. The department shall allocate a portion of the funding in a collaborative fashion with local health departments in jurisdictions experiencing PFAS contamination. The department shall allocate the remainder of the funding to address infectious and vector-borne disease threats, and other environmental contamination issues, including, but not limited to, vapor intrusion, drinking water contamination, and lead exposure. The department shall allocate the funding to address issues including, but not limited to, staffing, planning and response, and creating and disseminating materials related to PFAS contamination issues and other emerging public health issues and threats.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on actual expenditures in the previous fiscal year and planned spending in the current fiscal year of the funds described in subsection (1). The report must include recipient entities, the amount of allocation, the general category of allocation, and detailed uses.

Sec. 1232. The department may work to ensure that the United States Department of Defense reimburses the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities.

Sec. 1233. The department shall not expend general fund and state restricted fund appropriations in part 1 for PFAS and environmental contamination response if federal funding or private grant funding is available for the same expenditures.

Sec. 1239. The department shall participate in and give necessary assistance to the Michigan PFAS action response team (MPART) pursuant to Executive Order No. 2019-03. The department shall collaborate with MPART and other departments to carry out appropriate activities, actions, and recommendations as coordinated by MPART. Efforts must be continuous to ensure that the department's activities are not duplicative with activities of another department or agency.

Sec. 1240. From the funds appropriated in part 1 for chronic disease control and health promotion administration, $70,000.00 is allocated to support a rare disease advisory council and the responsibilities of the rare disease advisory council, which may include all of the following:

(a) Developing a list of rare diseases.

(b) Posting the list of rare diseases on the department's website.

(c) Updating the list of rare diseases.

(d) Annually investigating and reporting to the legislature on 1 rare disease on the list, and including legislative recommendations in the report.

FAMILY HEALTH SERVICES

Sec. 1301. (1) Not later than April 1 of the current fiscal year, the department shall submit to the standard report recipients a report on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report must include information on all of the following:

(a) The funding allocations.

(b) The actual number of women, children, and adolescents served and the amounts expended for each group for the previous fiscal year.

(c) A breakdown of the expenditure of the funds between urban and rural communities.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) As used in this section, "rural community" means any of the following:

(a) A county, city, village, or township with a population of 30,000 or less.

(b) A county, city, village, or township described in subdivision (a), if it is located within a metropolitan statistical area.

Sec. 1302. From the funds appropriated in part 1 for special projects, the department shall allocate $500,000.00 of TANF revenue to purchase child restraint systems for newborn children who are TANF eligible. The child restraint systems must meet the standards of all applicable federal law and the laws of this state, be purchased in volume by this state, and be distributed through maternal infant health program providers.

Sec. 1306. (1) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate funds to address needs in a city in which a declaration of emergency was issued because of drinking water contamination. The funds allocated under this section may be used to support any of the following activities:

(a) Nutrition assistance, nutritional and community education, food bank resources, and food inspections.

(b) Epidemiological analysis and case management of individuals at risk of elevated blood lead levels.

(c) Support for child and adolescent health centers, and the children's health care access program.

(d) Nursing services, breastfeeding education, evidence-based home visiting programs, intensive services, and outreach for children exposed to lead coordinated through local community mental health organizations.

(e) Department local office operations costs.

(f) Lead poisoning surveillance, investigations, treatment, and abatement.

(g) Nutritional incentives provided to local residents through the double up food bucks expansion program.

(h) Genesee County health department food inspectors to perform water testing at local food service establishments.

(i) Transportation related to health care delivery.

(j) Senior initiatives.

(k) Lead abatement contractor workforce development.

(*l*) Any other activity that the department considers appropriate.

(2) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate $500,000.00 for rides to wellness through the Flint mass transportation authority.

Sec. 1308. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate not less than $500,000.00 for evidence-based programs to reduce infant mortality. The funds must be used for enhanced support and education to nursing teams or other teams of health professionals that the department considers qualified, client recruitment in areas designated as underserved for obstetrical and gynecological services and in other high-need communities, strategic planning to expand and sustain programs, and marketing and communications of programs to raise awareness, engage stakeholders, and recruit nurses.

Sec. 1311. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate not less than $2,750,000.00 of state general fund/general purpose revenue for a rural home visit program. The department shall give equal consideration to all eligible evidence-based providers in all regions in contracting for rural home visitation services.

Sec. 1313. (1) From the funds appropriated in part 1, the department shall continue developing an outreach program on fetal alcohol syndrome services, targeting health promotion, prevention, and intervention.

(2) The department shall explore federal grant funding to address prevention services for fetal alcohol syndrome and to reduce alcohol consumption among pregnant women.

Sec. 1314. From the funds appropriated in part 1, the department shall enhance the department's education and outreach efforts that encourage women of childbearing age to seek the confirmation of a pregnancy at the earliest indication of a possible pregnancy and to initiate continuous and routine prenatal care on the confirmation of a pregnancy. The department shall ensure that the department's programs, policies, and practices promote prenatal and obstetrical care by doing all of the following:

(a) Supporting access to care.

(b) Reducing and eliminating barriers to care.

(c) Supporting recommendations for best practices.

(d) Encouraging optimal prenatal habits, including, but not limited to, prenatal medical visits, use of prenatal vitamins, and the cessation of tobacco use, alcohol use, or drug use.

(e) Tracking birth outcomes to study improvements in prevalence of neonatal substance exposure, fetal alcohol syndrome, and other preventable neonatal disease.

(f) Tracking maternal increase in healthy behaviors following childbirth.

Sec. 1315. From the funds appropriated in part 1 for dental programs, $200,000.00 is allocated to the Michigan Dental Association for the administration of a volunteer dental program that provides dental services to the uninsured.

Sec. 1316. The department shall use revenue from permit fees for mobile dental facilities that the department receives under section 21605 of the public health code, 1978 PA 368, MCL 333.21605, to offset the costs of processing and issuing permits for mobile dental facilities.

Sec. 1325. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate $5,000,000.00 to support grants to local collaboratives to enhance the ability of local collaboratives to coordinate and improve maternal and infant health outcomes. To receive a grant under this section, a local collaborative must be a part of a perinatal quality collaborative.

Sec. 1341. The department shall use income eligibility and verification guidelines established by the Food and Nutrition Service agency of the United States Department of Agriculture to determine eligibility of individuals for the special supplemental nutrition program for women, infants, and children (WIC) as stated in current WIC policy.

Sec. 1343. (1) From the funds appropriated in part 1 for dental programs, the department shall allocate $4,260,000.00 of state and local funds, plus any private contributions received to support the program, to establish and maintain the dental oral assessment program described in section 9316 of the public health code, 1978 PA 368, MCL 333.9316.

(2) Not later than December 31 of the current fiscal year, the department shall submit a report to the standard report recipients that provides a summary of the dental reports the department receives from principals and administrators under section 9316 of the public health code, 1978 PA 368, MCL 333.9316.

Sec. 1349. Subject to federal approval, from the funds appropriated in part 1 for immunization program, the department shall allocate all of the following funds to support a statewide media campaign for improving this state's immunization rates:

(a) $740,000.00 of general fund/general purpose revenue.

(b) Any available work project funds.

(c) Any available federal match through a contract administered by the department with oversight from the behavioral and physical health and aging services administration and the public health administration.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1360. From the funds appropriated in part 1, the department may do 1 or more of the following:

(a) Provide special formulas for eligible individuals with specified metabolic and allergic disorders.

(b) Provide medical care and treatment to eligible individuals with cystic fibrosis who are 26 years of age or older.

(c) Provide medical care and treatment to eligible individuals with hereditary coagulation defects, commonly known as hemophilia, who are 26 years of age or older.

(d) Provide human growth hormone to eligible individuals.

(e) Provide mental health care to eligible individuals for mental health needs that result from, or are a symptom of, the individual's qualifying medical condition.

(f) Provide medical care and treatment to eligible individuals with sickle cell disease who are 26 years of age or older.

Sec. 1361. From the funds appropriated in part 1 for medical care and treatment, the department may spend the funds to continue developing and expanding telemedicine capacity to allow families with children in the children's special health care services program to access specialty providers more readily and in a more timely manner. The department may spend funds to support chronic complex care management of children enrolled in the children's special health care services program to minimize hospitalizations and reduce costs to the program while improving outcomes and quality of life. As used in this section, "children's special health care services program" or "program" means the program established under section 5815 of the public health code, 1978 PA 368, MCL 333.5815.

AGING SERVICES

Sec. 1402. The department may encourage the Food Bank Council of Michigan to collaborate directly with each area agency on aging and any other organization that provides senior nutrition services to secure the food access of older adults.

Sec. 1403. (1) From the funds appropriated in part 1, the department may implement a palliative care advisory task force. The palliative care advisory task force shall do all of the following:

(a) Provide the legislature with a recommended definition for palliative care in this state.

(b) Conduct research on palliative care.

(c) Make recommendations that will expand the provision of palliative care.

(d) Identify palliative care services that are offered and measures for reimbursement of the services.

(e) Develop key program metrics for palliative care services and make recommendations to the department and the legislature.

(f) Collaborate with individuals who are able to improve and expand high-quality palliative care services.

(g) Develop engagement strategies to educate the public on access to palliative care and to improve an individual's ability to make informed decisions on preferred care.

(h) Identify the capacity of palliative care providers to provide palliative care services.

(2) If the department implements the task force described in subsection (1), then not later than January 1 of the current fiscal year, the palliative care advisory task force shall submit to the standard report recipients a report that identifies the palliative care services available in this state and any palliative care services that are not offered in this state but would provide a benefit.

Sec. 1404. From the funds appropriated in part 1 for community services, the department shall allocate $658,000.00 to area agencies on aging for home and community-based services.

Sec. 1417. Not later than March 31 of the current fiscal year, the department shall submit to the standard report recipients a report that contains all of the following information:

(a) The total allocation of state resources made to each area agency on aging by individual program and administration.

(b) Detailed expenditures by each area agency on aging by individual program and administration, including both state-funded resources and locally funded resources.

Sec. 1421. From the funds appropriated in part 1 for community services, $1,100,000.00 is allocated for locally determined needs that are provided by area agencies on aging.

HEALTH AND AGING SERVICES ADMINISTRATION

Sec. 1505. Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the actual reimbursement savings and cost offsets that have resulted from the funds appropriated in part 1 for the office of inspector general and third-party liability efforts in the previous fiscal year.

Sec. 1507. From the funds appropriated in part 1 for office of inspector general, the inspector general shall audit and recoup inappropriate or fraudulent payments from Medicaid managed care organizations to health care providers. Unless authorized by federal law or a law of this state, the department shall not fine, temporarily halt operations of, disenroll as a Medicaid provider, or terminate a managed care organization or health care provider from providing services due to the discovery of an inappropriate payment found during the course of an audit.

Sec. 1512. From the funds appropriated in part 1, the department shall maintain the Medicaid encounter quality initiative report to separate nonclinical administrative costs from actual claims and encounter costs.

Sec. 1518. The department shall coordinate with the department of licensing and regulatory affairs to ensure that, on the issuance of an order suspending the license of an adult foster care facility, home for the aged, or nursing home, the department of licensing and regulatory affairs provides a notice to the department, to the house and senate appropriations subcommittees on the department budget, and to the members of the house of representatives and senate that represent the legislative districts of the county in which the adult foster care facility, home for the aged, or nursing home is located.

HEALTH SERVICES

Sec. 1605. The protected income level for Medicaid coverage determined under section 106(1)(b)(*iii*) of the social welfare act, 1939 PA 280, MCL 400.106, is 100% of the related public assistance standard.

Sec. 1606. For the purpose of guardian and conservator charges, the department may deduct up to $83.00 per month as an allowable expense against a recipient's income when determining Medicaid eligibility and patient pay amounts.

Sec. 1607. (1) The department shall immediately presume that an applicant for Medicaid whose qualifying condition is pregnancy is eligible for Medicaid coverage, unless the preponderance of evidence in the applicant's application indicates otherwise. The applicant who is qualified as described in this subsection is allowed to select or remain with the Medicaid participating obstetrician of the applicant's choice.

(2) Each qualifying applicant is entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care must be paid at the Medicaid fee-for-service rate if a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant must receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) If an applicant, presumed to be eligible for Medicaid under subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to the applicant is entitled to reimbursement for the services until the Medicaid physician or managed care plan is notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application under subsection (1) indicates that the applicant is not eligible for Medicaid, the department shall refer the applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.

(5) The department shall develop an enrollment process for applicants covered under this section that facilitates the selection of a managed care plan at the time of application.

(6) The department shall require that Medicaid managed care plans enroll women whose qualifying condition for Medicaid is pregnancy.

(7) The department shall encourage physicians to provide an applicant whose qualifying condition for Medicaid is pregnancy with a referral to a Medicaid participating dentist at the applicant's first pregnancy-related appointment.

Sec. 1608. It is the intent of the legislature that the department comply with all the residency and eligibility provisions of Public Law 119-21 when determining eligibility for medical assistance.

Sec. 1611. (1) For care provided to Medicaid recipients with other third-party sources of payment, Medicaid reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for Medicaid-only patients. The Medicaid payment rate shall be accepted as payment in full. Other than an approved Medicaid copayment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. This section does not affect the level of payment from a third-party source other than the Medicaid program. The department shall require a nonenrolled provider to accept Medicaid payments as payment in full.

(2) Notwithstanding subsection (1), if a hospital service is provided to a dual Medicare/Medicaid recipient with only Medicare part B coverage, the Medicaid reimbursement must equal, when combined with a payment for Medicare or other third-party source of payment, the amount established for a Medicaid-only patient, including a capital payment.

Sec. 1620. (1) If a Medicaid claim is a fee-for-service Medicaid claim, the professional dispensing fee for a drug that is listed as a medication on the Michigan pharmaceutical products list is $20.02 or the pharmacy's submitted dispensing fee, whichever is less.

(2) If a Medicaid claim is a fee-for-service Medicaid claim, the professional dispensing fee for a drug that is not listed as a specialty medication on the Michigan pharmaceutical products list is as follows:

(a) If the drug is indicated as preferred on the department's preferred drug list, $10.80 or the pharmacy's submitted dispensing fee, whichever is less.

(b) If the drug is not on the department's preferred drug list, $10.64 or the pharmacy's submitted dispensing fee, whichever is less.

(c) If the drug is indicated as nonpreferred on the department's preferred drug list, $9.00 or the pharmacy's submitted dispensing fee, whichever is less.

Sec. 1626. (1) Not later than January 15 of the current fiscal year, each pharmacy benefit manager that receives reimbursements directly, through a department-administered fee-for-services contract, or through a Medicaid health plan, from the funds appropriated in part 1 for health services must submit all of the following information to the department for the previous fiscal year:

(a) The total number of prescriptions that were dispensed.

(b) The aggregate fiscal year paid pharmacy claims repriced using the wholesale acquisition cost for each drug on its formulary.

(c) The aggregate amount of rebates, discounts, and price concessions that the pharmacy benefit manager received for each drug on its formulary. The aggregate amount of rebates must include any utilization discounts the pharmacy benefit manager received from a manufacturer.

(d) The aggregate amount of administrative fees that the pharmacy benefit manager received from all pharmaceutical manufacturers.

(e) The aggregate amount identified in subdivisions (b) and (c) that were retained by the pharmacy benefit manager and did not pass through to the department or to the Medicaid health plan.

(f) The aggregate amount of reimbursements the pharmacy benefit manager paid to contracting pharmacies.

(g) Any other information considered necessary by the department.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report including the information provided under subsection (1) to the standard report recipients.

(3) Any nonaggregated information submitted under this section is confidential and must not be disclosed to any person by the department. The information described in this subsection is not a public record of the department.

Sec. 1628. From the funds appropriated in part 1 for hospital services and therapy and Healthy Michigan plan, the department shall continue to allocate $3,000,000.00 in general fund/general purpose revenue and any associated federal match to maintain the Medicaid reimbursement rate for dental services provided at ambulatory surgical centers and outpatient hospitals. The funding provided in this section must be used to maintain the minimum rate of reimbursement for dental services provided in ambulatory surgical centers at $1,495.00 and maintain the minimum rate of reimbursement for dental services provided in outpatient hospitals at $2,300.00.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers. The wholesaler pricing must be based on the price available from at least 2 wholesalers who deliver drugs in this state.

Sec. 1630. Not later than April 1 of the current fiscal year, from the funds appropriated in part 1 for Medicaid dental services, the department shall submit a report to the standard report recipients on the dental service benefit. The report must cover all of the following areas:

(a) Information on the implementation of the Adult Medicaid dental benefit redesign including all of the following information:

(*i*) The number of dental providers, by Medicaid health plan in this state, who provided 1 or more Medicaid dental services in the fiscal year ending September 30, 2022, and the number of additional providers who were added in the previous fiscal year, with a delineation in the reported numbers based on the average payment per visit and before and after the implementation of the Adult Medicaid dental benefit redesign.

(*ii*) The status of enhanced care coordination.

(*iii*) The array of covered dental benefits and services before the Adult Medicaid dental benefit redesign and how the available benefits and services changed or expanded after the Adult Medicaid dental benefit redesign.

(b) Information on the Healthy Kids Dental program including all of the following information:

(*i*) The number of children enrolled in the Healthy Kids Dental program who visited the dentist in the previous fiscal year broken down by dental benefit manager.

(*ii*) The number of dentists who accept payment from the Healthy Kids Dental program broken down by dental benefit manager.

(*iii*) The annual change in dental utilization of children enrolled in the Healthy Kids Dental program broken down by dental benefit manager.

(*iv*) Service expenditures for the Healthy Kids Dental program broken down by dental benefit manager.

(*v*) Administrative expenditures for the Healthy Kids Dental program broken down by dental benefit manager.

Sec. 1631. (1) The department shall require copayments on dental, podiatric, and vision services provided to Medicaid recipients, except as prohibited by federal law or a law of this state.

(2) Except as otherwise prohibited by federal law or a law of this state, the department shall require Medicaid recipients to pay the following copayments:

(a) Two dollars for a physician office visit.

(b) Three dollars for a hospital emergency room visit.

(c) Fifty dollars for the first day of an inpatient hospital stay.

(d) Two dollars for an outpatient hospital visit.

(e) One dollar for a generic drug or any drug indicated as preferred on the department's preferred drug list and $3.00 for a brand-name drug not indicated as preferred on the department's preferred drug list.

Sec. 1633. (1) The department of health and human services shall request from the federal Centers for Medicare and Medicaid Services a reasonable transition period to assure insurance providers have adequate planning time.

(2) For the first quarterly payment due after approval by the federal Centers for Medicare and Medicaid Services of a revised insurance provider assessment tax structure, the department of health and human services and the department of treasury shall work with insurance providers to establish a reasonable time period for submission of that payment. Thereafter, quarterly payments shall be due on the dates specified in subsection (7) of the insurance provider assessment act.

Sec. 1634. (1) The assessment imposed under the insurance provider assessment act shall terminate on the effective date of any law that establishes an ongoing alternative revenue source dedicated to funding Michigan's medical assistance program, provided that the revenue from that source is sufficient, as determined by the department of health and human services, to replace the revenue generated by the assessment.

(2) If an ongoing alternative revenue source dedicated to funding Michigan's medical assistance program is statutorily enacted but does not generate sufficient revenue to fully replace the revenue from the assessment imposed under the insurance provider assessment, the amount of the assessment shall be reduced by an amount equivalent to the revenue generated by that dedicated source. The department of health and human services shall adjust the per member month tax rate accordingly to reflect the reduced assessment amount.

Sec. 1640. From the funds appropriated in part 1, the department shall maintain the rate increase for the home help individual caregiver rate and the home help agency provider rate specified in the department's Medicaid provider letters L 24-66, L 24-67, and L 24-74.

Sec. 1641. An institutional provider that is required to submit a cost report under the Medicaid program shall submit cost reports completed in full not more than 5 months after the end of the institutional provider's fiscal year.

Sec. 1644. (1) From the funds appropriated in part 1, the department shall maintain wages at a level not less than the amount in effect the previous fiscal year. This funding must include all costs incurred by the employer, including, but not limited to, payroll taxes, due to the wage increase. As used in this subsection, "direct care workers" means a registered professional nurse, licensed practical nurse, competency-evaluated nursing assistant, and respiratory therapist.

(2) From the funds appropriated in part 1, the department shall maintain wages at a level not less than the amount in effect during the previous fiscal year for direct care workers who are employed by licensed adult foster care facilities and licensed homes for the aged and who provide Medicaid-funded fee-for-service personal care services that were not eligible for any direct care worker pay adjustment under Medicaid-funded managed care. This funding must include all costs incurred by the employer, including, but not limited to, payroll taxes, due to the wage increase.

Sec. 1645. (1) From the funds appropriated in part 1, the department shall maintain the wages of eligible nonclinical staff employed by skilled nursing facilities. The funding must include all costs incurred by the employer, including payroll taxes, due to prior wage increases.

(2) The nonclinical staff eligible for the wages described in subsection (1) are those whose costs are reported in the following job classifications in nursing facility institutional cost reports shared with the department:

(a) Other housekeeping.

(b) Other maintenance worker.

(c) Other plant operations.

(d) Other laundry.

(e) Dining room assistants.

(f) Other dietary workers.
(g) Other medical records.
(h) Other social services.
(i) Other diversion therapy.
(j) Beauty and barber.
(k) Gift, flower, coffee, and canteen worker.

Sec. 1646. From the funds appropriated in part 1, the department shall maintain the Medicaid reimbursement rates for orthotic and prosthetic providers in place in the previous fiscal year.

Sec. 1647. (1) The department shall provide written notification to the standard report recipients at least 5 business days before implementing any changes to the approved spending plan for the home and community-based services (HCBS) provided under section 9817 of Public Law 117-2.

(2) By February 1 of the current fiscal year, the department shall submit a comprehensive report to the standard report recipients detailing the use of all HCBS funds received under section 9817 of Public Law 117-2. The report must include, but is not limited to, all of the following:

(a) Total funds received and total expenditures by fiscal year.
(b) Expenditures by category and by vendor or grantee.
(c) Program accomplishments and progress.
(d) Any unspent balances and projected future spending.
(e) A list of active contracts and grants associated with HCBS funding.

Sec. 1657. (1) The department shall not make reimbursement for Medicaid to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room, contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital shall receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) do not require an alteration to an existing agreement between an HMO and its contracting hospitals and do not require an HMO to reimburse for services that are not considered to be medically necessary.

Sec. 1662. (1) From the funds appropriated in part 1, the department shall require an annual external quality review of each contracting HMO. The external quality review must analyze and evaluate aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries. The department shall create a report containing each quality review required under this subsection.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and HEDIS well child health measures in accordance with the National Committee for Quality Assurance prescribed methodology.

(3) The department shall submit a copy of the analysis of the Medicaid HMO annual audited reports on HEDIS and the report under subsection (1) to the standard report recipients within 30 days after the department's receipt of the final information required from the contractors.

Sec. 1670. (1) The appropriation in part 1 for the MIChild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with an income at or below 212% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of applying for MIChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the behavioral and physical health and aging services administration public concurrence process. The eligibility criteria must be consistent with the provisions of this part and part 1.

(2) The department shall provide up to 1 year of continuous eligibility to a child eligible for the MIChild program unless the child reaches age 19.

Sec. 1677. From the funds appropriated in part 1 for the MIChild program, the department shall provide, at a minimum, all benefits available under the Michigan benchmark plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance use disorder treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance use disorder services, including services furnished in a mental hospital operated by this state and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MIChild state plan.

(e) Substance use disorder treatment services that may include inpatient, outpatient, and residential substance use disorder treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1682. (1) In addition to the appropriations in part 1, the department is authorized to receive and spend penalty money received as the result of noncompliance with Medicaid certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(2) Any unexpended penalty money, at the end of the year, must carry forward to the following year.

(3) Not later than March 1 of the current fiscal year, the department shall report to the standard report recipients on penalty money received by the department as described in subsection (1). The report must include, but is not limited to, the following information:

(a) The amount of penalty monies received by the department in the previous fiscal year listed by the assessed entity.

(b) A list of the entities that were assessed penalties in the previous fiscal year with the rationale for each penalty.

Sec. 1692. (1) The department is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to agreements described in this subsection and pursuant to federal law and a law of this state.

(2) From the funds appropriated in part 1 for health services school-based services payments, the department is authorized to do all of the following:

(a) Finance activities within the behavioral and physical health and aging services administration related to eligible services.

(b) Reimburse participating school districts pursuant to the fund-sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the Medicaid program.

Sec. 1694. From the funds appropriated in part 1 for special Medicaid reimbursement, $2,628,500.00 of general fund/general purpose revenue and any associated federal match must be distributed for poison control services to an academic health care system that has a high volume of providing care to indigent individuals.

Sec. 1697. The department shall require that Medicaid health plans administering Healthy Michigan plan benefits maintain a network of dental providers in sufficient numbers, mix, and geographic locations throughout their respective service areas in order to provide adequate dental care for Healthy Michigan plan enrollees.

Sec. 1700. Not later than December 1 of the current fiscal year, the department shall report to the standard report recipients on the distribution of funding provided, and the net benefit if the special hospital payment is not financed with general fund/general purpose revenue, to each eligible hospital during the previous fiscal year from the following special hospital payments:

(a) GME.

(b) Special rural hospital payments provided under section 1802(1)(b) of this part.

(c) Lump-sum payments to rural hospitals for obstetrical care provided under section 1802(1)(a) of this part.

Sec. 1702. From the funds appropriated in part 1, the department shall allocate $2,830,000.00 in general fund/general purpose revenue and any associated federal match to maintain the rates in place in the previous fiscal year for private duty nursing services for Medicaid beneficiaries under the age of 21. These additional funds must be used to attract and retain highly qualified registered nurses and licensed practical nurses to provide private duty nursing services so that medically fragile individuals can be cared for in the most homelike setting possible.

Sec. 1757. The department shall obtain proof from all Medicaid recipients that they are United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

Sec. 1764. The department shall annually certify whether rates paid to Medicaid health plans and specialty PIHPs are actuarially sound in accordance with federal requirements. The department shall provide to the standard report recipients a copy of the rate certification required under this section and the approval of rates paid to Medicaid health plans and specialty PIHPs for any fiscal year not later than October 1 for Medicaid capitation rate certifications and not later than February 15, May 15, and August 15 for any Medicaid capitation rate amendments. Following the rate certification, the department shall ensure that no new or revised state Medicaid policy bulletin that is promulgated materially impacts the capitation rates that have been certified.

Sec. 1775. From the funds appropriated in part 1, by not later than March 1 of the current fiscal year, the department shall provide a report to the standard report recipients on the transition of the MI Health Link program to an integrated dual eligible special needs plan (D-SNP) required by Medicare Advantage and Part D Final Rule (CMS-4192-F). The report must include all of the following:

(a) The status of any extension received from CMS for the MI Health Link demonstration.

(b) The amount and fund source of realized or anticipated transition costs by fiscal year.

(c) The status of the transition, by MI Health Link service region and by individual county within a region.

(d) A summary of the efforts taken to engage beneficiaries, stakeholders, and health plans in the transition process.

(e) A summary of necessary Medicaid contractual and policy changes related to D-SNP contracting, including any carve-outs that will be proposed.

(f) A summary of the eligibility guidelines and covered benefits proposed in the D-SNP transition, including a comparison of long-term services and supports, home- and community-based services and behavioral health services as of September 30, 2024, and in the proposed D-SNP.

(g) A verification of the inclusion of the most important aspects of the MI Health Link into any D-SNP proposal, including, but not limited to, the following:

(*i*) $0.00 copayments and deductibles for all covered services.

(*ii*) Access to a care coordinator for care navigation and care planning.

(*iii*) A single card for all Medicare and Medicaid services.

Sec. 1786. From the funds appropriated in part 1, the department shall maintain Medicaid reimbursement for the administration of injectable, nasal, and oral vaccines at $23.03.

Sec. 1787. From the funds appropriated in part 1 for health plan services, Healthy Michigan plan, and long-term care services, the department shall maintain the Medicaid reimbursement rates in place in the previous fiscal year for CPT codes 31579, 92507, 92508, 92520, 92521, 92522, 92523, 92524, 92526, 92597, 92607, 92608, 92609, 92610, 92630, 92633, 92700, 94010, 97129, 97130, 97533, 97799, G2250, G2251, and S9152.

Sec. 1788. From the funds appropriated in part 1, the department shall provide Medicaid reimbursement rates, including Medicaid reimbursements from the ambulance provider quality assurance assessment, for ground ambulance services at not less than 100% of the Medicare base rates for Locality 01 for ground ambulance services in effect on January 1, 2023.

Sec. 1789. From the funds appropriated in part 1 for federally qualified health centers, the department shall allocate not less than $11,300,000.00 in general fund/general purpose revenue and any associated federal match to maintain Medicaid prospective payment system reimbursement rates.

Sec. 1790. The department shall maintain the current practitioner rates paid for CPT codes 90791 through 90899 for psychiatric procedures through Medicaid fee-for-service and through the comprehensive Medicaid health plans for psychiatric procedures provided for Medicaid recipients under the age of 21.

Sec. 1791. From the funds appropriated in part 1 for health plan services and physician services, the department shall provide Medicaid reimbursement rates for neonatal services at 100% of the Medicare rate received for those services in effect on the date the services are provided to eligible Medicaid recipients. The neonatal services and physician services eligible for reimbursement rates under this section are described as CPT codes 99468, 99469, 99471, 99472, 99475, 99476, 99477, 99478, 99479, and 99480.

Sec. 1794. (1) From the funds appropriated in part 1, the department shall provide Medicaid reimbursements for hospital-based substance use disorder peer-supports.

(2) Not later than March 1 of the current fiscal year, the department shall report to the standard report recipients on the statewide amounts and each hospital amount for hospital-based substance use disorder peer-supports during the first quarter of the current fiscal year, including for all of the following:

(a) The number of individuals served.

(b) The Medicaid reimbursement utilization.

(c) The total expenditures.

Sec. 1801. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase to Medicaid rates for primary care services provided only by primary care providers. The department shall not provide the increase to Medicaid rates under this section to primary care providers whose primary practice is as a non-primary-care subspecialty. The department shall establish policies that most effectively limit the increase to primary care providers for primary care services only. As used in this section, "primary care provider" means a physician, or a practitioner working in collaboration with a physician, who is either licensed under part 170 or part 175 of the public health code, 1978 PA 368, MCL 333.17001 to 333.17097 and 333.17501 to 333.17556, and who works as a primary care provider in general practice or is board-eligible or certified with a specialty designation of family medicine, general internal medicine, or pediatric medicine, or is a provider who provides the department with documentation of equivalency.

Sec. 1802. (1) From the funds appropriated in part 1 for hospital services and therapy, the department shall provide for the following:

(a) $8,470,200.00 in general fund/general purpose revenue as lump-sum payments to noncritical access hospitals that qualified for rural hospital access payments in fiscal year 2013-2014 and that provide obstetrical care this fiscal year. Payment amounts must be based on the volume of obstetrical care cases and newborn care cases for all such cases billed by each qualified hospital in the most recent year for which data is available. The department shall make payments not later than January 1 of the current fiscal year. For the current fiscal year, a hospital that met established occupied bed criteria based on Medicaid cost reports as of the fiscal year ending September 30, 2011, and that is located within a county with a population of not more than 165,000 and within a city, village, or township with a population of not more than 16,000, according to the 2000 federal decennial census, is eligible.

(b) $15,204,800.00 in general fund/general purpose revenue and any associated federal match awarded as rural access payments to noncritical access hospitals that meet criteria established by the department for services to low-income rural residents. One of the reimbursement components of the criteria established by the department under this subsection must be assistance with labor and delivery services.

(2) Payments under this section must be made by January 1 of the current fiscal year.

(3) The department shall publish the distribution of payments for the current fiscal year and the previous fiscal year.

Sec. 1803. (1) From the funds appropriated in part 1 for rural health transformation program, the department shall provide grants to hospitals and providers, in accordance with federal requirements.

(2) Not later than January 15 of the current fiscal year, the department shall provide to the standard report recipients the rural health transformation program grant application and plan submitted to CMS.

(3) Not later than 30 days after receiving CMS notification of the acceptance or rejection of the application described under subsection (2), the department shall notify the standard report recipients of any modifications prescribed by CMS to the original application and plan.

Sec. 1804. The department may utilize the federal public assistance reporting information system to continue to work to identify Medicaid recipients who are veterans and who may be eligible for federal veterans' health care benefits or other benefits and shall continue to refer veterans to the department of military and veterans affairs for assistance in securing additional benefits.

Sec. 1810. In advance of the annual rate setting development, Medicaid health plans must be given at least 60 days to dispute and correct any discarded encounter data before rates are certified. The department shall notify each contracting Medicaid health plan of any encounter data that have not been accepted for the purposes of rate setting.

Sec. 1812. Not later than June 1 of the current fiscal year, and using the most recent available cost reports, the department shall complete a report of all direct and indirect costs associated with residency training programs for each hospital that receives funds appropriated in part 1 for graduate medical education or through the MiDocs consortium. The report shall be submitted to the standard report recipients.

Sec. 1820. (1) In order to avoid duplication of effort, if a Medicaid health plan has been reviewed and accredited by a national accrediting entity for health care services, the department shall use applicable national accreditation review criteria to determine compliance with corresponding requirements in this state.

(2) The department shall continue to comply with federal law and laws of this state and shall not initiate an action that negatively impacts beneficiary safety.

(3) As used in this section, "national accrediting entity" means the National Committee for Quality Assurance, the URAC, formerly known as the Utilization Review Accreditation Commission, or another appropriate entity, as approved by the department.

Sec. 1830. From the funds appropriated in part 1 for hospital services and therapy, the department shall allocate $5,000,000.00 to support prenatal health care providers operating in this state to provide services for existing group-based prenatal care programs that include 1 or more health care professionals leading small groups of expectant mothers – in the same phase of pregnancy – in discussions and other health services that promote the well-being and health of mothers and babies.

Sec. 1831. From the funds appropriated in part 1 for hospital services and therapy, the department shall allocate $10,000,000.00 to continue to support hospitals in this state to improve maternal safety and outcomes by administering and expanding a data-driven maternal safety and quality improvement initiative that is based on interdisciplinary and consensus-based practices. The initiative expansion must focus on mitigating pregnancy-associated injury and death, work to improve outcomes for underserved groups, and address problems related to substance use disorders.

Sec. 1833. (1) In addition to the funds appropriated in part 1, the department is authorized to expend an amount not to exceed $3,315,000,000.00 for state restricted insurance provider assessment and associated federal Medicaid reimbursement matching revenues, if revenues are available under sections 7, 11, and 17 of the insurance provider assessment act, 2018 PA 175, MCL 550.1757, 550.1761, and 550.1767.

(2) Not later than 10 calendar days after expenditure authorization in subsection (1) is utilized, the department shall report to the standard report recipients all of the following:

(a) Total state restricted expenditures incurred for this use of authorization under subsection (1), by line item.

(b) Total federal expenditures incurred for this use of authorization under subsection (1), by line item.

(c) Total gross expenditures incurred for this use of authorization under subsection (1).

(d) Total year-to-date expenditure authorization remaining under subsection (1).

Sec. 1834. (1) In addition to the funds appropriated in part 1, the department is authorized to expend an amount not to exceed $6,017,000,000.00 for state restricted quality assurance assessment program and associated federal Medicaid reimbursement matching revenues, if revenues are available and the department has received CMS approval of the expenditures under the state's Medicaid preprint.

(2) Not later than 10 calendar days after expenditure authorization in subsection (1) is utilized, the department shall report to the standard report recipients all of the following:

(a) Total state restricted expenditures incurred for this use of authorization under subsection (1), by line item.

(b) Total federal expenditures incurred for this use of authorization under subsection (1), by line item.

(c) Total gross expenditures incurred for this use of authorization under subsection (1).

(d) Total year-to-date expenditure authorization remaining under subsection (1).

Sec. 1837. The department shall continue, and expand where appropriate, utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients.

Sec. 1846. From the funds appropriated in part 1 for graduate medical education, the department shall distribute the funds with an emphasis on the following health care workforce goals:

(a) The encouragement of the training of physicians in specialties, including primary care, that are necessary to meet the future needs of residents of this state.

(b) The training of physicians in settings that include ambulatory sites and rural locations.

(c) The training of practitioners providing pediatric psychiatry services.

Sec. 1850. The department may allow Medicaid health plans to assist with maintaining eligibility through outreach activities to ensure continuation of Medicaid eligibility and enrollment in managed care. The assistance may include mailings, telephone contact, or face-to-face contact with beneficiaries enrolled in the individual Medicaid health plan. Medicaid health plans may offer assistance in completing paperwork for beneficiaries enrolled in the Medicaid health plan.

Sec. 1854. The funds appropriated in part 1 for PACE must support a current fiscal year enrollment cap that is not less than 8,597.

Sec. 1855. From the funds appropriated in part 1 for PACE, to the extent that funding is available in the PACE line item and unused program slots are available, the department may do the following:

(a) Increase the number of slots for a local and already-established PACE if the local PACE has provided appropriate documentation to the department indicating its ability to expand capacity to provide services to additional PACE clients.

(b) Suspend the 10 member per month individual PACE enrollment increase cap in order to allow unused and unobligated slots to be allocated to address unmet demand for PACE services.

Sec. 1856. (1) From the funds appropriated in part 1 for hospice services, $5,000,000.00 shall be expended to provide room and board for Medicaid-eligible individuals who meet hospice eligibility requirements and receive services at Medicaid enrolled hospice residences in this state. The department shall distribute funds through grants based on the total beds located in all eligible residences that have been providing these services as of October 1, 2017. An eligible grant applicant may inform the department of the applicant's request to reduce the grant amount allocated for the applicant's residence and the funds must be distributed proportionally to increase the total grant amount of the remaining grant-eligible residences. Grant amounts shall be paid out monthly with 1/12 of the total grant amount distributed each month to the grantees.

(2) Not later than September 15 of the current fiscal year, each Medicaid-enrolled hospice with a residence that receives funds under this section shall provide a report to the department on the utilization of the grant funding provided in subsection (1). The report must be provided in a format prescribed by the department and must include the following information:

(a) The number of patients served.

(b) The number of days served.

(c) The daily room and board rates for the patients served.

(d) If there is not sufficient funding to cover the total room and board need, the number of patients who did not receive care due to insufficient grant funding.

(3) If funds awarded under this section remain unused at the end of the current fiscal year, the Medicaid-enrolled hospice with a residence shall return those unused funds to this state.

Sec. 1859. The department shall partner with the Michigan Association of Health Plans and Medicaid health plans to develop and implement strategies for the use of information technology services for Medicaid research activities. The department shall make available state medical assistance program data, including Medicaid behavioral data, to the Michigan Association of Health Plans and Medicaid health plans or any vendor considered qualified by the department to perform research activities consistent with this state's goals of improving health; increasing the quality, reliability, availability, and continuity of care; and reducing the cost of care for the eligible population of Medicaid recipients.

Sec. 1862. From the funds appropriated in part 1, the department shall maintain payment rates for Medicaid obstetrical services at 95% of Medicare levels effective October 1, 2014.

Sec. 1870. (1) From the funds appropriated in part 1 for hospital services and therapy, the department shall allocate $6,400,000.00 in general fund/general purpose revenue plus any contributions from public entities, up to $5,000,000.00, and any associated federal match to the MiDocs consortium to create new primary care residency slots in underserved communities. The new primary care residency slots must be in 1 of the following specialties: family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, or general surgery.

(2) The department shall seek any necessary approvals from CMS to allow the department to implement the program described in this section.

(3) Assistance with repayment of medical education loans, loan interest payments, or scholarships provided by the MiDocs consortium shall be contingent upon a minimum 2-year commitment to practice in an underserved community in this state post-residency and an agreement to forego any sub-specialty training for at least 2 years post-residency with the exception of a child and adolescent psychiatry fellowship that must be integrated with a psychiatry residency training program in a MiDocs consortium affiliated institution.

(4) The MiDocs consortium shall work with the department to integrate the Michigan inpatient psychiatric admissions discussion (MIPAD) recommendations and, when possible, prioritize training opportunities in state psychiatric hospitals and community mental health organizations.

(5) The department shall maintain the MiDocs consortium initiative advisory council to help support implementation of the program described in this section, and to provide oversight. The advisory council must be composed of the MiDocs consortium, the Michigan Area Health Education Centers, the Michigan Primary Care Association, the Michigan Center for Rural Health, the Michigan Academy of Family Physicians, and any other appointees designated by the department.

(6) Not later than September 1 of the current fiscal year, the MiDocs consortium shall submit a report to the standard report recipients that includes all of the following information:

(a) Audited financial statement of per-resident costs.

(b) Education and clinical quality data.

(c) Roster of trainees, including areas of specialty and locations of training.

(d) Medicaid revenue by training site.

(7) The department shall monitor outcome and performance measures for this program, including, but not limited to, the following:

(a) Increasing this state's ability to recruit, train, and retain primary care physicians and other select specialty physicians in underserved communities.

(b) Maximizing training opportunities with community health centers, rural critical access hospitals, solo or group private practice physician practices, schools, and other community-based clinics, in addition to the required training through rotations at inpatient hospitals.

(c) Increasing the number of residency slots for family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, and general surgery.

(8) Unexpended and unencumbered funds up to a maximum $6,400,000.00 in general fund/general purpose revenue plus any contributions from public entities, up to $5,000,000.00, and any associated federal match remaining in accounts appropriated in part 1 for hospital services and therapy are designated as work project appropriations, and any unencumbered or unallotted funds must not lapse at the end of the fiscal year and must be available for expenditures for the MiDocs consortium to create new primary care residency slots in underserved communities under this section until the work project has been completed. All of the following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to fund the cost of the MiDocs consortium to create new primary care residency slots in underserved communities.

(b) The work project will be accomplished by contracting with the MiDocs consortium to oversee the creation of new primary care residency slots.

(c) The total estimated completion cost of the work project is $20,200,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 1872. From the funds appropriated in part 1 for personal care services, the department shall maintain the monthly Medicaid personal care supplement paid to adult foster care facilities and homes for the aged that provide personal care services to Medicaid recipients in place during the previous fiscal year.

Sec. 1874. The department shall ensure, in counties where PACE services are available, that PACE is included as an option in all options counseling and enrollment brokering for aging services and managed care programs, including, but not limited to, Area Agencies on Aging, centers for independent living, and the MiChoice home and community-based waiver. The department must include approved marketing and discussion materials for options counseling.

Sec. 1879. Not later than May 15 of the current fiscal year, the department shall submit to the standard report recipients a report with Medicaid pharmaceutical information. The report shall include, for the previous fiscal year, the total Medicaid pharmaceutical costs and the total Medicaid pharmaceutical rebates. The report must categorize the total Medicaid pharmaceutical costs and total Medicaid pharmaceutical rebates recognized by the contracted health plans and the department. In addition, the report must also include all of the following information:

(a) The total estimated pharmaceutical benefit expenses incurred by contracted health plans from the previous fiscal year and through the first 2 quarters of the current fiscal year.

(b) The total estimated pharmaceutical benefit expenses included in approved initial rates for contracted health plans from the previous fiscal year and total estimated pharmaceutical benefit expenses included in approved initial rates for contracted health plans for the first 2 quarters of the current fiscal year.

(c) The total Medicaid pharmaceutical rebates received by the department in the previous fiscal year and the single preferred drug list supplemental rebates invoices in the previous fiscal year.

(d) Information as to whether the average benefit expense for the composite average across all rate cells and service categories included in capitation rates, based on actual enrollment and anticipated recoveries, for the previous fiscal year and through the first 2 quarters of the current fiscal year exceeded the reported contracted health plan's experience, adjusted for completion over the same reporting periods.

(e) The following information related to the current Medicaid pharmacy carve-out of pharmaceutical products as provided for in section 109h of the social welfare act, 1939 PA 280, MCL 400.109h:

(*i*) The number of prescriptions paid by the department during the previous fiscal year.

(*ii*) The total amount of expenditures for prescriptions paid by the department during the previous fiscal year.

(*iii*) The number of and total expenditures for prescriptions paid by the department for generic equivalents during the previous fiscal year.

Sec. 1880. (1) The department shall align all pharmacy-related policies with the United States Food and Drug Administration quality and clinical standards. Any single preferred drug list utilization management criteria will be established in consultation with the Medicaid health plans and the Michigan pharmacy and therapeutics committee described in section 9705 of the public health code, 1978 PA 368, MCL 333.9705, with consideration given to applicable United States Food and Drug Administration dosing guidelines, subsequent evidence-based literature or studies, and current treatment guidelines.

(2) The department shall revise existing pharmacy coverage policies to limit the authorization of anti-obesity GLP-1 receptor agonists exclusively to individuals classified as morbidly obese. Coverage is contingent on documented failure of all other clinically appropriate weight-loss interventions and must be considered only as a measure to avert the need for higher-cost bariatric surgery.

Sec. 1888. The department shall establish contract performance standards associated with the capitation withhold provisions for Medicaid health plans at least 3 months before the implementation of those standards. The determination of whether performance standards have been met must be based primarily on recognized concepts such as 1-year continuous enrollment and the health care effectiveness data and information set, HEDIS, audited data.

Sec. 1889. All quality assurance assessment program revenue collected under section 20161 of the public health code, 1978 PA 368, MCL 333.20161, must only be expended on services provided under the Healthy Michigan plan, under 2013 PA 107, or the state Medicaid program, under Title XIX and Title XXI.

INFORMATION TECHNOLOGY

Sec. 1901. (1) The department shall submit a report on a semiannual basis to the standard report recipients that lists the projects approved in the previous 6 months and provides the purpose for approving each project including any federal, state, court, or legislative requirement for each project.

(2) Once an award for an expansion of information technology is made, the department shall submit a report to the standard report recipients that provides the projected cost of the expansion broken down by use and type of expense.

Sec. 1902. (1) From the funds appropriated in part 1 for comprehensive child welfare information system, the department shall submit a report not later than March 1 to the standard report recipients. The report must include, but is not limited to, the following:

(a) The total expenditures by fiscal year, from all sources, on the development of the comprehensive child welfare information system.

(b) The expenditure plan for the subsequent fiscal year for the development, implementation, and maintenance of the comprehensive child welfare information system.

(c) The details on upgrades, remediation of user-reported issues, and other modifications to currently implemented modules of the comprehensive child welfare information system that occurred during the current fiscal year and are planned for the subsequent fiscal year.

(d) The current timeline for the full implementation of the comprehensive child welfare information system.

(2) The department shall continue to provide the report described in subsection (1) after the implementation of the comprehensive child welfare information system is complete and operational.

Sec. 1903. (1) Not later than November 1 of the current fiscal year, the department shall submit a report to the standard report recipients that describes the status of an implementation plan regarding the appropriation in part 1 to modernize the MiSACWIS. The report must include, but is not limited to, an update on the status of the settlement and efforts to bring the system in compliance with the settlement and other federal guidelines set forth by the United States Department of Health and Human Services Administration for Children and Families.

(2) Not later than July 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the department's efforts and recommendations to develop and implement a simpler and more streamlined process for the annual renewal of the licenses for family foster care homes, and the development of a simpler and more efficient version of the application form for renewal of the licenses for family foster care homes.

(3) From the funds appropriated in part 1 for Michigan statewide automated child welfare information system, the department shall submit a report by not later than March 1 to the standard report recipients. The report must include, but is not limited to, the following:

(a) The current timeline for the phaseout of MiSACWIS and MiSACWIS's replacement by the comprehensive child welfare information system.

(b) Expenditures, from all funding sources, for maintenance, upgrades, and remediation of user-reported issues in the previous fiscal year.

(c) Any cost savings realized by decommissioning MiSACWIS.

Sec. 1906. From the funds appropriated in part 1 for information technology services and projects, the department shall allocate $1,750,000.00 general fund/general purpose revenue, and all associated federal matching revenue, to a public and private nonprofit collaboration that is designated as this state's statewide health information exchange by cooperative agreement, to implement health information technology strategies for health information exchange development, data management, and population health at a statewide level.

Sec. 1909. (1) From the funds appropriated in part 1 for child support automation, the department shall only encumber or expend funds for the operation, maintenance, and improvements of the Michigan child support enforcement system.

(2) From the funds appropriated in part 1 for bridges information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements of Bridges and MIBridges.

(3) From the funds appropriated in part 1 for Michigan Medicaid information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements of the community health automated Medicaid processing system.

(4) From the funds appropriated in part 1 for Michigan statewide automated child welfare information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements of MiSACWIS.

(5) From the funds appropriated in part 1 for comprehensive child welfare information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements to the comprehensive child welfare information system.

(6) From the funds appropriated in part 1 for comprehensive child welfare information system, the department shall continue development of a new information system to replace MiSACWIS consistent with the plan provided by the department to the United States District Court for Eastern District of Michigan as a part of the settlement. The development of the comprehensive child welfare information system must adhere to department of technology, management, and budget and information technology investment fund (ITIF) policies and practices, including use of the state unified information technology environment methodology and agile development. The project team shall also participate in and comply with the enterprise portfolio management office process and product quality assurance. To ensure full transparency, the project must be included in the ITIF portfolio for executive, legislative, and external reporting purposes. As a component of the ITIF portfolio, the project is subject to governance and oversight by the information technology investment management board.

Sec. 1910. From the funds appropriated in part 1, $535,974,300.00 is appropriated for information technology services and projects including:

(a) $123,932,600.00 for bridges information system.

(b) $22,474,200.00 for Michigan statewide automated child welfare information system.

(c) $104,020,300.00 for Michigan Medicaid information system.

(d) $45,101,900.00 for child support automation.

(e) $8,750,300.00 for comprehensive child welfare information system.

ONE-TIME APPROPRIATIONS

Sec. 1930. (1) From the funds appropriated in part 1 for opioid response activities, the department shall allocate $76,750,000.00 from the Michigan opioid healing and recovery fund created under section 3 of the Michigan trust fund act, 2000 PA 489, MCL 12.253, to programs and services to address the opioid crisis in a manner consistent with the opioid judgment, settlement, or compromise of claims pertaining to violations, or alleged violations, of law related to the manufacture, marketing, distribution, dispensing, or sale of opioids. The funds must be allocated as follows:

(a) $4,000,000.00 must be allocated for primary prevention activities, including for public health awareness and education campaigns, including $3,000,000.00 to a nonprofit organization organized under the laws of this state, that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that is located in a city with a population greater than 600,000 according to the most recent federal decennial census, and that was established in 1955 to deliver holistic care and wraparound services to address social determinants impacting health, education, and economic stability. To be eligible for funds under this subdivision, the organization must have a stated vision of being the premier provider of holistic care in the communities it serves. The funds must be used to expand substance use disorder prevention and treatment services.

(b) $17,250,000.00 must be allocated to substance use disorder treatment, including:

(*i*) $6,000,000.00 for workforce development programming.

(*ii*) $1,750,000.00 for access to treatment in jails.

(*iii*) $4,500,000.00 for expansion of evidence-based treatment programming of which $3,500,000.00 must be allocated to a coalition located in a county with a population of at least 1,500,000 according to the most recent federal decennial census, that has an aim to lead and support communities to dispel the myths and stigmas about drug addiction through public education, shares stories of recovery, partners with local and state leaders, creates positive social changes, and provides recovery support services for individuals in need. The $3,500,000.00 in funds allocated under this subparagraph must be used to support mobile psychiatric services and services provided by a licensed master's social worker, 24-hour crisis stabilization and observation beds, short-term crisis residential services and crisis stabilization, crisis hotlines that are available at any time, warm lines, psychiatric advance directive statements, and peer crisis services.

(*iv*) $5,000,000.00 to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and that has a headquarters in a charter township with a population between 100,000 and 105,000 in a county with a population between 700,000 and 1,000,000 according to the most recent federal decennial census. To receive funding under this subparagraph, the nonprofit organization must have a stated mission to offer community-based, compassionate, best-practice/evidence-based services to those suffering from addiction and their loved ones, and to erase the stigma of addiction and instill compassion and hope.

(c) $37,500,000.00 must be allocated for recovery investments, including:

(*i*) $17,000,000.00 for recovery and permanent housing developments, of which $5,000,000.00 must be allocated to a nonprofit organization that is organized under the laws of this state, is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, is located in a city with a population greater than 600,000 according to the most recent federal decennial census, was established in 2005, and operates as a certified community behavioral health clinic to create a 30-bed residential treatment program for young adults with a substance use disorder and expand the substance use disorder workforce.

(*ii*) $10,000,000.00 for peer services.

(*iii*) $10,000,000.00 for job training.

(d) $3,500,000.00 must be allocated for informed decision-making and evaluation of investments, including:

(*i*) $1,000,000.00 for data to inform investments and evaluation progress.

(*ii*) $2,500,000.00 to support local governments in needs assessments and making impact.

(e) $15,000,000.00 must be allocated for stand-alone investments, including:

(*i*) $3,000,000.00 to invest in tribal communities.

(*ii*) $2,000,000.00 for law enforcement training.

(*iii*) $10,000,000.00 for diversion programs.

(2) If any allocations remain after the completion of the projects listed in subsection (1)(a) to (e), the department may expend remaining funds for additional opioid response activities that are consistent with the purposes outlined in this section.

Sec. 1932. (1) From the funds appropriated for Medicaid children's rehabilitation services, the department shall allocate $100,000.00 to enhance the Medicaid provider reimbursement rates for services provided to Medicaid-enrolled children receiving inpatient and outpatient care in any of the following settings:

(a) Acute care children's hospitals.

(b) Rehabilitation hospitals serving children.

(c) Behavioral health hospitals or designated inpatient psychiatric units serving children.

(2) The enhanced reimbursement in subsection (1) must apply to the professional services provided by licensed physicians, advanced practice providers (APPs), psychologists, and other eligible enrolled Medicaid providers involved in the direct care of children.

(3) From the funds appropriated in part 1 for Medicaid children's rehabilitation services, $900,000.00 is allocated to support statewide physician services, access initiatives, and nonclinical and supportive care services at the Joan Secchia Children's Rehabilitation Hospital in Grand Rapids.

(4) The funds provided in subsection (3) must be used to enhance the comprehensive rehabilitative care and access of children through the provision of the following services:

(a) Educational services, including licensed teachers to ensure academic continuity for children during hospitalization.

(b) Child life specialists to support emotional coping and developmentally appropriate education related to illness and treatment.

(c) Recreational therapy, music therapy, and art therapy as part of a holistic rehabilitation model.

(d) Family and caregiver support services, including respite, lodging assistance, psychosocial support, and navigation services during the course of a child's inpatient rehabilitation.

(e) A statewide system of access to consulting pediatric physiatrists and other professionals familiar with rehabilitation care of kids.

Sec. 1933. From the funds appropriated in part 1 for Medicaid outreach, the department shall allocate $950,000.00 in general fund/general purpose revenue and any associated federal match to enhance Medicaid health plan outreach to improve access and utilization of Medicaid covered services in partnership with the National Kidney Foundation of Michigan. The funds under this section must also support outreach efforts by the Morris Hood III Chronic Kidney Disease and COVID-19 Complications Prevention Initiative to identify, educate, and prevent chronic kidney disease in high-risk populations and regions.

Sec. 1934. From the funds appropriated in part 1 for dental clinic, the department shall allocate $2,900,000.00 to United Way of Northwest Michigan for the cost of purchasing, rather than leasing, a building that houses both a dental clinic and the United Way of Northwest Michigan.

Sec. 1936. From the funds in part 1 for cranial hair prothesis, the department shall allocate $125,000.00 to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and is located in a city with a population between 58,800 and 59,000 that is located in a county with a population between 881,000 and 882,000, according to the most recent federal decennial census. To be eligible for funds under this section, an organization must have current experience providing wigs and support services to children and young adults experiencing hair loss as a result of an illness.

Sec. 1937. (1) From the funds appropriated in part 1 for hospital infrastructure, the department shall allocate $10,000,000.00 to Sheridan Community Hospital as state matching funds for the construction of a new hospital on already-owned land for the purposes of increasing health care capacity in this state.

(2) Funds appropriated in part 1 for hospital infrastructure are considered work project funds, do not lapse at the close of the fiscal year, and are available for expenditures for projects under this section until the projects have been completed. The following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to construct a new hospital on already-owned land for the purposes of increasing health care capacity.

(b) The work project will be accomplished through a grant to Sheridan Community Hospital.

(c) The total estimated cost of the work project is $10,000,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 1938. From the funds appropriated in part 1 for foster care program, the department shall allocate $2,025,000.00 to The New Foster Care for services through the Bridge Program, including housing, child welfare housing infrastructure, or other supportive housing projects.

Sec. 1950. From the funds appropriated in part 1 for cellular therapy, $750,000.00 is allocated to Versiti Michigan. The funds must be used to enhance the collection of fetal umbilical cord blood and stem cells for transplant, expand cord blood laboratory capabilities, expand the diversity of collections, and build information technology infrastructure.

Sec. 1954. From the funds appropriated in part 1 for homeless shelter capital and infrastructure costs, the department shall allocate $2,000,000.00 to a nonprofit, community-based organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and is located in a city with a population between 639,000 and 650,000 according to the most recent federal decennial census. To be eligible for the funding under this section, the organization must use the grant to make capital and infrastructure repairs to structures to convert the structures into emergency homeless shelters for women and children and shelters for individuals who are parolees from the department of corrections.

Sec. 1956. (1) From the funds appropriated in part 1 for permanent supportive housing, the department shall allocate $5,000,000.00 to expand supportive housing services. Organizations that received funding under section 1983 of article 6 of 2023 PA 166 or section 701 of article 16 of 2024 PA 121 are eligible to apply for and receive funding under this section. The funds must be used for services to households living in supportive housing who need additional services to maintain stability and currently homeless households moving into supportive housing.

(2) From the funds appropriated in this section, no more than 8% may be allocated as grants to organizations providing permanent supportive housing for capacity building necessary to develop and sustain high-quality service delivery and to build administrative capacity to seek Medicaid reimbursement for eligible services.

(3) From the funds appropriated in this section, at least 1% must be allocated to a national nonprofit organization that is organized under the laws of this state, is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, was founded in 1991 with 100 to 250 employees, is a national leader in supportive housing, and provides technical assistance and capacity building support to organizations providing permanent supportive housing services.

(4) Funds appropriated in part 1 for permanent supportive housing are considered work project funds, do not lapse at the close of the fiscal year, and are available for expenditures for projects under this section until the projects have been completed. The following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to provide funding for grants to eligible entities to provide permanent supportive housing services for eligible households.

(b) The work project will be accomplished through partnerships with community-based agencies that provide supportive housing services, the Michigan state housing development authority, and local governments.

(c) The total estimated cost of the work project is $5,000,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 1958. From the funds appropriated in part 1 for electronic benefit transfer reinvestment, the department shall allocate an amount not to exceed $16,000,000.00 to adopt chip card technology for all Michigan bridge cards and any other credit and debit industry standards as published by the Accredited Standards Committee X9. The department shall begin to implement these standards by January 1 of the current fiscal year.

Sec. 1960. From the funds appropriated in part 1 for career and workforce readiness wraparound services, the department shall allocate $750,000.00 to a nonprofit organization that is organized under the laws of this state, is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and is located in a city with a population greater than 600,000 according to the most recent federal decennial census, to support the operation and expansion of a neighborhood-based medical clinic that provides essential health services to residents in underserved areas of the city in which the organization is located. To be eligible to receive funds under this section, the organization must have been established in 1906 and have a stated vision of being the region's leading human service organization, impacting lives, and helping individuals achieve their full potential at every age and stage.

Sec. 1962. From the funds appropriated in part 1 for national association of Yemeni Americans, the department shall allocate $800,000.00 to a qualified Yemeni nonprofit organization to provide communities with the best services suited to the communities according to their time and needs, with no prejudice, and regardless of religion, culture, or ethnic background. As used in this section, "qualified Yemeni nonprofit organization" means an organization that was established in 2000, is organized under the laws of this state, is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and has its administrative office located in a county with a population of at least 1,750,000 and in a city with a population between 109,000 and 110,000.

Sec. 1964. (1) From the funds appropriated in part 1 for community health screenings, the department shall allocate $5,000,000.00 as a grant to a nonprofit organization that is organized under the laws of this state, is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and is located in a in a city with a population between 85,000 and 87,000 and in a county with a population between 1,200,000 and 1,300,000 according to the most recent federal decennial census, to conduct community health screenings and to collect and distribute public health data on underserved urban and rural populations, first responders, and veterans, to the department.

(2) Funds appropriated for community health screenings are considered work project funds, do not lapse at the end of the fiscal year, and are available for expenditures for projects under this section until the projects have 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 work project is to provide funding for health screenings at no cost to the public in order to reduce health disparities in rural or medically underserved communities.

(b) The work project will be accomplished through partnerships with nonprofit agencies.

(c) The total estimated cost of the work project is $5,000,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 1965. (1) From the funds appropriated in part 1 for water affordability, the department shall allocate $5,000,000.00 as grants to qualified providers to assist eligible residents who have a financial burden, have accumulated a balance on their water utility bill, have had their water service shut off, and/or are at risk of having their water service shut off. Eligible expenditures from these funds must be income-based and must include all of the following:

(a) Restoring residential water service.

(b) Paying down water bills currently in arrears.

(c) Supporting reasonable water affordability plans that are based on an individual's ability to pay, including capped payments based on household income to prevent accumulating a balance on future water bills and funding to qualified providers to cover the remaining cost of service.

(d) Protecting participating residents from water shutoffs.

(2) To be considered a qualified provider under this section, the provider must be 1 of the following:

(a) A community water system.

(b) A community action agency.

(c) A nonprofit, community-based organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, with a history of doing utility assistance work.

(3) Qualified providers receiving grants under this section may spend not more than 3% of the total grant award for administrative services related to the implementation of this section.

(4) Qualified providers receiving grants under this section shall report to the department by September 30 of the current fiscal year on outcomes and performance measures for the program, including, but not limited to, all of the following:

(a) The total grant award received by the qualified provider.

(b) The percentage of the grant award that was used for administrative costs.

(c) The total dollars spent broken down by type of assistance provided.

(d) The number of individuals helped broken down by type of assistance provided.

(e) The number of individual applicants denied assistance.

(5) Upon receipt of the information required under subsection (4), the department shall compile and forward the report to the standard report recipients.

(6) The unexpended funds appropriated in part 1 for water affordability are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 provide grants to qualified providers that assist eligible residents who have a financial burden, have accumulated a balance on their water utility bill, have had their water service shut off, and/or are at risk of having their water service shut off.

(b) The project will be accomplished through competitive grants to qualified providers.

(c) The total estimated cost of the project is $5,000,000.00.

(d) The tentative completion date is September 30, 2030.

Sec. 1966. From the funds appropriated in part 1 for Revive health clinic, the department shall allocate $300,000.00 to Revive Community Health Center for health support services as the center pursues certification as a FQHC.

Sec. 1967. (1) From the funds appropriated in part 1 for trauma recovery center pilot program, the department shall allocate $2,000,000.00 for a 3-year trauma recovery center pilot program at a level I Michigan-designated trauma facility for adults. The pilot program must be located in a city with a population greater than 500,000 according to the most recent federal decennial census. The pilot program must do all of the following to be awarded funding under this section:

(a) Use an evidence-informed integrated trauma recovery service model for providing and delivering services.

(b) Comply with applicable statutory requirements for the trauma facility's administration and operation, and for service requirements and funding.

(c) Except as otherwise provided in subsection (2), demonstrate to the department that the trauma facility adheres to all guidelines for implementing and operating a trauma recovery center, as developed by the National Alliance of Trauma Recovery Centers.

(2) The department may award the funding to a level I Michigan-designated trauma facility for adults that does not adhere to the requirements described in subsection (1) if the facility demonstrates to the department the facility's ability to comply with the requirements on the receipt of the funds under this section.

(3) The unexpended funds appropriated in part 1 for trauma recovery center pilot program are designated as a work project appropriation. Unencumbered or unallotted funds do not lapse at the end of the fiscal year and must be available for expenditures under this section until the project has been completed. All of the following are 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 ensure that the pilot programs located in level I Michigan designated trauma facilities for adults are developing a model for trauma service provision and delivery.

(b) The project will be accomplished by utilizing state employees, contracting with vendors, or working with local partners.

(c) The estimated cost of the project is $2,000,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 1968. From the funds appropriated in part 1 for implementation of maternal health policy changes, the department shall allocate $299,700.00 to implement Senate Bill No. 29 and Senate Bill No. 30 of the 103rd Legislature.

Sec. 1970. From the funds appropriated in part 1 for mothers in foster care - wraparound services program, the department shall allocate $250,000.00 as a grant to a nonprofit organization to offer comprehensive mental health support, prenatal care coordination, parenting classes, mentorship, and social integration activities that meets all of the following requirements:

(a) Is organized under the laws of this state.

(b) Is exempt from federal income tax under the laws of this state under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501.

(c) Assists teen mothers exiting foster care.

(d) Is located in a city with a population greater than 600,000 and in a county with a population of more than 1,700,000 according to the most recent federal decennial census.

Sec. 1971. (1) From the funds appropriated in part 1 for delayed cognition/fine motor skills checklist toolkit, the department shall allocate $500,000.00 to a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that is educating the public about prevention efforts in an effort to reduce medical costs and improving the quality of life for those living at risk of a mental disability to increase their operations to provide developmental milestones toolkits to low-income families located in a county with a population greater than 1,500,000 according to the most recent federal decennial census. The nonprofit organization must be located in a city with a population between 90,000 and 105,000 according to the most recent federal decennial census with a stated mission of providing evidence-informed strategies and training to parents, educators, community stakeholders, and policymakers to ameliorate common childhood conditions.

(2) The unexpended funds appropriated in part 1 for developmental milestones toolkit are designated as a work project appropriation. Unencumbered or unallotted funds do not lapse at the end of the fiscal year and must be available for expenditures under this section until the project has been completed. All of the following are 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 provide developmental milestones toolkits to low-income families located in a county with a population greater than 1,500,000 according to the most recent federal decennial census.

(b) The project will be accomplished by a nonprofit 501(c)(3) organization.
(c) The estimated cost of the project is $500,000.00.
(d) The tentative completion date is September 30, 2030.

Sec. 1973. (1) From the funds appropriated in part 1 for dental safety net providers - stabilization payments, the department shall allocate $4,000,000.00 to implement an enhanced Medicaid reimbursement rate for dental services provided to Medicaid-enrolled adults.
(2) The enhanced Medicaid reimbursement rate applies only to adult services delivered by dental safety net providers that have an established agreement with a local health department.
(3) The department shall determine the enhanced Medicaid reimbursement methodology to reflect increased costs of care and to support provider sustainability.

Sec. 1974. From the funds appropriated in part 1 for Medicaid blood pressure monitors, the department shall allocate $800,000.00 to implement 2024 PA 244.

Sec. 1976. (1) From the funds appropriated in part 1 for kids' food basket, the department shall allocate $1,000,000.00 to fund a project with a nonprofit, community-based organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and that is located in a city with a population between 185,000 and 200,000 and in a county with a population between 600,000 and 700,000, according to the most recent federal decennial census. The nonprofit organization recipient must have an existing network of food delivery to low-income children in not less than 3 counties in this state. The nonprofit organization shall use the funds to expand its services to additional schools and communities. The funding may be used to cover employee costs, food and supplies, equipment, capital, and other operational costs identified by the organization to support its mission and goals.
(2) The unexpended funds appropriated in part 1 for kids' food basket are designated as a work project appropriation. Unencumbered or unallotted funds do not lapse at the end of the fiscal year and must be available for expenditures under this section until the project has been completed. All of the following are 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 support employee costs, food and supplies, equipment, capital, and other operational costs identified by the organization to support its mission and goals.
(b) The project will be accomplished by a nonprofit 501(c)(3) organization.
(c) The estimated cost of the project is $1,000,000.00.
(d) The tentative completion date is September 30, 2030.

Sec. 1977. (1) From the funds appropriated in part 1 for underserved healthcare facility project, the department shall allocate $1,500,000.00 to a wellness center to support a pediatric and sedation dentistry clinic. The pediatric and sedation dental clinic must serve uninsured and underinsured children and adolescents and eligible adults who have a mental illness, severe emotional disturbance, intellectual developmental disorder, or co-occurring substance use disorder. To be eligible for the funds under this section, the wellness center must meet all of the following requirements:
(a) Be dedicated to enhancing the well-being of individuals by providing an array of comprehensive behavioral and physical health services in a trauma-informed environment and by promoting quality of life, continuous improvement, social awareness, and healing.
(b) Have its administrative office located in a county with a population of greater than 1,750,000 and in a city with a population between 109,000 and 111,000 according to the most recent federal decennial census.
(c) Be accredited by CARF International.
(2) The unexpended funds appropriated in part 1 for underserved healthcare facility project are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the project has been completed. All of the following are 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 support a pediatric and sedation dentistry clinic.
(b) The project will be accomplished by a CARF International accredited wellness center.
(c) The estimated cost of the project is $1,500,000.00.
(d) The tentative completion date is September 30, 2030.

Sec. 1978. From the funds appropriated in part 1 for university DSH backfill, $3,500,000.00 of general fund/general purpose revenue must be distributed to a university located in a county with a population between 284,000 and 285,000, according to the most recent federal decennial census, that has a college of allopathic medicine and a college of osteopathic medicine. The purpose of this project is to ensure continued access to medical care for indigents and increase the efficiency and effectiveness of medical practitioners providing services to Medicaid beneficiaries under managed care.

Sec. 1980. (1) From the funds appropriated in part 1 for federally-qualified health centers - training program, the department shall allocate $2,000,000.00 to partner with a health centers careers training program to provide additional recruitment and training opportunities for individuals employed in FQHCs operating in this state.

(2) The health centers careers training program described in subsection (1) must do all of the following:

(a) Provide recruiting and training opportunities for professions, including, but not limited to, medical and dental assistants, community health workers, doulas, medical billing and coding professionals, pharmacy technicians, and opticians.

(b) Provide paid clinical or internship experience opportunities for behavioral health students.

(c) Provide on-the-job training and apprenticeship opportunities.

(d) Support opportunities to grow workforce and career opportunities for low-income and underserved communities.

(3) Funds appropriated for federally-qualified health centers - training program are considered work project funds, do not lapse at the end of the fiscal year, and are available for expenditures for projects under this section until the projects have 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 work project is to provide funding for recruitment and training programs at FQHCs in this state.

(b) The work project will be accomplished through partnerships with FQHCs and other nonprofit agencies.

(c) The total estimated cost of the work project is $2,000,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 1982. (1) From the funds appropriated in part 1 for Medicaid funding for freestanding birth centers and licensed midwives, the department shall allocate not less than $1,000,000.00 of general fund/general purpose revenue and any associated federal matching funds to provide perinatal and gynecological services when perinatal and gynecological services are provided by a perinatal or gynecological professional who is licensed, registered, or otherwise authorized to practice in this state, including, but not limited to, a licensed midwife acting within the scope of the licensed midwife's license. Medicaid reimbursement must be paid when gynecological or perinatal care service is provided in a hospital, medical care facility, freestanding birth center licensed under article 17 of the public health code, 1978 PA 368, MCL 333.20101 to 333.22260, midwifery care facility, or home setting. The rates paid to perinatal or gynecological professionals described in this section must be the same as those paid to other perinatal or gynecological professionals, regardless of the location of those services.

(2) The perinatal or gynecological care services described in subsection (1) must meet all of the following:

(a) Promote high-quality, cost-effective, and evidence-based care.

(b) Promote high-value, evidence-based payment models.

(c) Prevent risk in subsequent pregnancies.

(3) Funds appropriated for Medicaid funding for freestanding birth centers and licensed midwives are considered work project funds, do not lapse at the end of the fiscal year, and are available for expenditures for projects under this section until the projects have 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 work project is to provide funding for perinatal or gynecological services at freestanding birth centers or through licensed midwives.

(b) The work project will be accomplished through partnerships with medical providers and other nonprofit agencies.

(c) The total estimated cost of the work project is $2,881,800.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 1984. (1) From the funds appropriated in part 1 for payments to cover after school and extracurriculars for foster care children, the department shall allocate $758,000.00 to reimburse children in foster care for the costs of extracurricular activities, which include, but are not limited to, athletics, music, band, drama, and other enrichment activities.

(2) The unexpended funds appropriated in part 1 for foster care extracurricular activities are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and must be available for expenditures for projects under this section until the projects have been completed. All of the following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to reimburse children in foster care for the costs of extracurricular activities.

(b) The work project will be accomplished by utilizing state employees or contracts.

(c) The total estimated cost of the work project is $1,000,000.00.

(d) The tentative completion date is September 30, 2030.

Sec. 1995. (1) From the funds appropriated in part 1 for liver screening pilot project, the department shall allocate $250,000.00 to partner with at least 1 Medicaid health plan to develop and fund a basic liver screening pilot project for Medicaid eligible women, between the ages of 25 and 45. The pilot project must include, but is not limited to, screening for cholestatic liver disorders associated with increased risk of end-stage liver disease.

(2) By September 30 of the current fiscal year, the department shall submit a report to the standard report recipients on the outcomes of the liver screening pilot project. The report must include, but is not limited to, all of the following:

(a) Demographic information of pilot participants who are at higher risk for developing cholestatic liver disorders.

(b) The number of pilot participants who were identified as high-risk for developing a cholestatic liver disorder who did not follow through with referrals or treatment recommendations.

(c) Recommendations on how to increase awareness for cholestatic liver disorders, including screening and genetic testing.

(d) Recommendations on investments and strategies to increase screening and genetic testing for cholestatic liver disorders.

(e) Any other information considered relevant by the department.

Sec. 1999. From the funds appropriated in part 1 for dementia support, the department shall allocate $408,600.00 to a nonprofit organization that is organized under the laws of this state, is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, was founded and governed by individuals living with dementia, and is located in a county with a population between 41,000 and 44,000 according to the most recent federal decennial census. Eligible expenditures from these funds include:

(a) Development of resources to empower individuals recently diagnosed with dementia with information about practical supports and effective communications with health care providers.

(b) Provision of interactive educational programming and outreach to equip individuals living with dementia and their family care partners with essential resources needed to thrive and live well with dementia.

(c) Development of financial planning and employment resources for individuals and families facing younger onset dementia.

(d) Creation of peer support opportunities for individuals living with early-stage and middle-stage dementia in home- or community-based settings.

(e) Creation of a public awareness campaign about the incidence of dementia across age groups and resources and strategies available to individuals to allow them to live well with dementia in-home or community-based settings.

Sec. 2005. From the funds appropriated in part 1 for maternal-fetal medicine programming, the department shall allocate $1,500,000.00 to an office of women's health located at a university in a county with a population greater than 1,500,000, according to the most recent federal decennial census, to oversee the programming. The funding must be used for a collaboration of universities and hospitals across this state to develop and implement a model to reduce infant and maternal mortality through best practices, patient incentives and transportation, navigators, and on-site medication distribution.

Sec. 2006. From the funds appropriated in part 1 for suicide prevention council, the department shall allocate $125,000.00 of general fund/general purpose revenue and any associated federal match or grant funding, to establish and support a Michigan Suicide Prevention Council. The council shall do all of the following:

(a) Coordinate statewide suicide prevention efforts, including alignment with the Michigan Suicide Prevention Plan: A Systems Level Approach to Preventing Suicide, 2024–2027.

(b) Engage stakeholders such as the department of education, the American Foundation for Suicide Prevention, the National Alliance on Mental Illness, the Michigan Psychiatric Society, law enforcement, and community mental health organizations.

(c) Develop and disseminate age-appropriate and medically accurate educational materials on suicide risk factors, protective factors, and warning signs, in consultation with relevant agencies and experts.

(d) Advise the department on policy and funding priorities related to suicide prevention, including recommendations for regional coverage gaps in the National Suicide Prevention Lifeline network.

(e) Submit an annual report to the standard report recipients by June 1 of the current fiscal year. The report must include:

(*i*) Council membership and meeting summaries.

(*ii*) Progress on strategic goals.

(*iii*) Funding allocations and expenditures.

(*iv*) Evaluation metrics and outcomes.

ARTICLE 7

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of insurance and financial services for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	390.5		
GROSS APPROPRIATION		**$**	**79,406,400**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			763,800
ADJUSTED GROSS APPROPRIATION		**$**	**78,642,600**
Federal revenues:			
Total federal revenues			250,000
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			78,392,600
State general fund/general purpose		**$**	**0**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	23.5		
Unclassified salaries—FTEs	6.0	$	984,100
Administrative hearings			173,700
Department services—FTEs	17.0		8,777,800
Executive director programs—FTEs	6.5		1,737,700
Property management			1,217,200
Worker's compensation			1,900
GROSS APPROPRIATION		**$**	**12,892,400**
Appropriated from:			
Special revenue funds:			
Bank fees			1,027,600
Captive insurance regulatory and supervision fund			83,200
Consumer finance fees			665,900
Credit union fees			1,556,100
Deferred presentment service transaction fees			285,900
Insurance bureau fund			5,730,600
Insurance continuing education fees			55,300
Insurance licensing and regulation fees			2,093,800
MBLSLA fund			1,394,000
State general fund/general purpose		**$**	**0**
Sec. 103. INSURANCE AND FINANCIAL SERVICES REGULATION			
Full-time equated classified positions	367.0		
Consumer services and protection—FTEs	105.0	$	17,894,000
Financial institutions evaluation—FTEs	131.0		23,061,300
Insurance evaluation—FTEs	131.0		21,946,100
GROSS APPROPRIATION		**$**	**62,901,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDLARA, for debt management			763,800

		For Fiscal Year Ending Sept. 30, 2026
Federal revenues:		
Federal revenues	$	250,000
Special revenue funds:		
Bank fees		6,564,600
Captive insurance regulatory and supervision fund		644,600
Consumer finance fees		2,415,800
Credit union fees		8,456,700
Deferred presentment service transaction fees		2,360,200
Insurance bureau fund		26,824,900
Insurance continuing education fees		548,300
Insurance licensing and regulation fees		8,094,600
MBLSLA fund		5,942,500
Multiple employer welfare arrangement		35,400
State general fund/general purpose	**$**	**0**
Sec. 104. INFORMATION TECHNOLOGY		
Information technology services and projects	$	3,612,600
GROSS APPROPRIATION	**$**	**3,612,600**
Appropriated from:		
Special revenue funds:		
Bank fees		288,000
Captive insurance regulatory and supervision fund		23,200
Consumer finance fees		186,700
Credit union fees		436,000
Deferred presentment service transaction fees		80,500
Insurance bureau fund		1,710,800
Insurance continuing education fees		15,700
Insurance licensing and regulation fees		481,200
MBLSLA fund		390,500
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $78,392,600.00 and total state spending under part 1 from state sources to be paid to local units of government is $0.00.

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of insurance and financial services.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated position in the classified service of this state.

(d) "IDG" means interdepartmental grant.

(e) "MBLSLA fund" means the restricted account established under section 8 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1658.

(f) "MDLARA" means the Michigan department of licensing and regulatory affairs.

(g) "Standard report recipients" means the senate and house appropriations subcommittees on licensing and regulatory affairs and insurance and financial services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 208. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 209. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 210. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 211. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 212. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 213. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 214. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises 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 geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 215. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of the local health officer.

Sec. 216. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 217. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 218. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 219. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 220. (1) The department shall maximize the utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 221. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 222. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 223. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $6,514,000.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $5,875,200.00. Total appropriations for retiree health care legacy costs for the department are estimated at $638,800.00.

Sec. 224. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 225. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 226. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 227. The department shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 228. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 250. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits. Not later than February 1, the department shall report on fees collected from credit card payments for licenses, fees, and permits in the previous year.

Sec. 251. From the funds appropriated in part 1 from the insurance bureau fund, funds may be expended to support legislative participation in insurance activities coordinated by insurance and legislative associations, in accordance with section 225 of the insurance code of 1956, 1956 PA 218, MCL 500.225.

Sec. 252. The department shall submit a report to the standard report recipients by September 30 detailing any expenditure of funds for a television or radio production that was made to a third-party vendor in the fiscal year ending September 30, 2026. The report must include all of the following information for each expenditure:

(a) Total amount of the expenditure.

(b) Fund source for the expenditure.

(c) Name of any vendor that created the production and the amount paid to each vendor.

(d) Purpose of the production.

INSURANCE AND FINANCIAL SERVICES REGULATION

Sec. 301. The annual health insurance rate change report prepared pursuant to 45 CFR 154.301(b) shall be transmitted electronically to the standard report recipients and must include the following:

(a) The number that are approved by the department.

(b) The number of denials issued by the department.

(c) The number of objections issued by the department.

(d) The percentage of rate filings processed within the applicable statutory time frames.

(e) The average number of calendar days to process rate filings.

Sec. 302. In addition to the funds appropriated in part 1, the funds collected by the department in connection with a conservatorship under section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds collected by the department from corporations being liquidated under the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, must 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 must not lapse to the general fund at the end of the fiscal year. The total amount appropriated under this section and section 303 must not exceed $600,000.00.

Sec. 303. The department may make available to interested entities customized listings of nonconfidential information in its possession. The department may establish and collect a reasonable charge to provide this service. The revenue from this service is appropriated when received and must be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year must lapse to the appropriate restricted fund. The total amount appropriated under this section and section 302 must not exceed $600,000.00.

Sec. 304. The department must electronically transmit the annual report prepared under section 238 of the insurance code of 1956, 1956 PA 218, MCL 500.238, and section 2108 of the banking code of 1999, 1999 PA 276, MCL 487.12108, to the standard report recipients at the time of the publication of the report.

Sec. 305. The department shall update examination manuals and letters of guidance to state-chartered financial institutions as necessary to reflect how the department will evaluate institutions that provide banking or other financial services to marihuana-related businesses or businesses that transport, test, grow, process, or sell marihuana, based on state statute and guidance. The department may also include guidance or information on how federal law and regulations may impact state-chartered institutions.

Sec. 306. Not later than March 30, the department shall provide a report to the standard report recipients and the chairs of the senate and house standing committees that address financial and insurance issues based on filings received from insurers for automobile insurance, as that term is defined in section 2102 of the insurance code of 1956, 1956 PA 218, MCL 500.2102, in the previous calendar year that includes all of the following:

(a) The number of automobile insurance rate filings received by the department.

(b) The number of objections issued by the department for automobile insurance rate filings.

(c) The average number of calendar days to process rate filings.

(d) Pursuant to section 2111f of the insurance code of 1956, 1956 PA 218, MCL 500.2111f, the weighted average, aggregated personal protection insurance rate change for policies subject to the coverage limits under section 3107c(1)(a) to (d) of the insurance code of 1956, 1956 PA 218, MCL 500.3107c.

Sec. 307. (1) From the funds appropriated in part 1 for consumer services and protection, at least 1.0 FTE must provide customer service outreach or education related to financial services and insurance claims and be trained and experienced to assist catastrophic accident survivors.

(2) Not later than September 30, the department shall submit a report to the standard report recipients and the chairs of the senate and house standing committees that address financial and insurance issues that provides all of the following:

(a) The number of automobile insurance consumers assisted.

(b) The number of complaints received.

(c) The number of utilization review orders issued.

(d) The number upholding the insurer's decision.

(e) The number reversing the insurer's decision.

ARTICLE 8

JUDICIARY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the judiciary for the fiscal year ending September 30, 2026 from the following funds:

JUDICIARY			
APPROPRIATION SUMMARY			
Full-time equated exempted positions	643.5		
GROSS APPROPRIATION		**$**	**383,621,700**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			1,902,300
ADJUSTED GROSS APPROPRIATION		**$**	**381,719,400**
Federal revenues:			
Total federal revenues			7,270,900
Special revenue funds:			
Total local revenues			0
Total private revenues			1,906,400
Total other state restricted revenues			96,468,300
State general fund/general purpose		**$**	**276,073,800**
Sec. 102. SUPREME COURT			
Full-time equated exempted positions	306.0		
Community dispute resolution—FTEs	3.0	$	3,388,800
Drug treatment courts—FTEs	2.0		13,266,700
Foster care review board—FTEs	10.0		1,445,600
Jail reform advisory support—FTE	1.0		160,100
Judicial information systems—FTEs	91.0		21,070,400
Judicial institute—FTEs	17.0		2,906,500
Justice for all—FTEs	2.0		1,539,700

			For Fiscal Year Ending Sept. 30, 2026
Mental health courts and diversion services—FTE	1.0	$	5,779,400
Michigan legal help		$	1,000,000
Next generation Michigan court system			4,116,000
Other federal grants			275,100
State court administrative office—FTEs	83.0		15,690,000
Supreme court administration—FTEs	96.0		16,707,900
Swift and sure sanctions program			1,537,600
Veterans courts			1,061,200
GROSS APPROPRIATION		**$**	**89,945,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of corrections			52,300
IDG from department of state police			1,500,000
IDG from department of state police, Michigan justice training fund			100,000
Federal revenues:			
DOJ, drug court training and evaluation			300,000
DOT, National Highway Traffic Safety Administration			2,358,700
Federal funds			275,100
HHS, access and visitation grant			506,100
HHS, children's justice grant			256,800
HHS, court improvement project			998,800
HHS, safe access for victims economic security grant			420,000
HHS, state opioid response grant			352,200
HHS, title IV-D child support program			891,400
HHS, title IV-E foster care program			328,000
Special revenue funds:			
Interest on lawyers trust accounts			407,900
Private funds			501,100
State justice institute			529,000
Community dispute resolution fund			2,424,700
Court of appeals filing/motion fees			1,450,000
Drug treatment court fund			1,920,500
Justice system fund			643,300
Law exam fees			794,500
Miscellaneous revenue			249,400
State court fund			419,900
State general fund/general purpose		**$**	**72,265,300**
Sec. 103. COURT OF APPEALS			
Full-time equated exempted positions	179.0		
Court of appeals operations—FTEs	179.0	$	27,733,200
GROSS APPROPRIATION		**$**	**27,733,200**
Appropriated from:			
State general fund/general purpose		**$**	**27,733,200**
Sec. 104. BRANCHWIDE APPROPRIATIONS			
Full-time equated exempted positions	6.0		
Branchwide appropriations—FTEs	6.0	$	11,160,000
GROSS APPROPRIATION		**$**	**11,160,000**
Appropriated from:			
State general fund/general purpose		**$**	**11,160,000**
Sec. 105. JUSTICES' AND JUDGES' COMPENSATION			
Judges positions—591.0 justices and judges			
Supreme court justices' salaries—7.0 justices		$	1,270,500
Circuit court judges' state base salaries—223.0 judges			31,326,100

			For Fiscal Year Ending Sept. 30, 2026
Circuit court judicial salary standardization		$	10,196,800
Court of appeals judges' salaries—25.0 judges			5,037,400
District court judges' state base salaries—232.0 judges			32,583,200
District court judicial salary standardization			10,608,600
Probate court judges' state base salaries—104.0 judges			14,486,400
Probate court judicial salary standardization			4,715,300
Judges' retirement system defined contributions			9,400,600
OASI, Social Security			8,339,600
GROSS APPROPRIATION		**$**	**127,964,500**
Appropriated from:			
Special revenue funds:			
Court fee fund			3,028,200
State general fund/general purpose		**$**	**124,936,300**
Sec. 106. JUDICIAL AGENCIES			
Full-time equated exempted positions	14.0		
Judicial tenure commission—FTEs	14.0	$	2,944,500
GROSS APPROPRIATION		**$**	**2,944,500**
Appropriated from:			
State general fund/general purpose		**$**	**2,944,500**
Sec. 107. INDIGENT DEFENSE - CRIMINAL			
Full-time equated exempted positions	112.5		
Appellate public defender program—FTEs	94.0	$	16,869,500
Juvenile life resentencing—FTEs	18.5		3,055,800
Michigan appellate assigned counsel system roster attorney compensation grants			3,208,100
GROSS APPROPRIATION		**$**	**23,133,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of state police			250,000
Federal revenues:			
Federal funds			583,800
Special revenue funds:			
Interest on lawyers trust accounts			88,400
Michigan justice fund			380,000
Miscellaneous revenue			172,400
State general fund/general purpose		**$**	**21,658,800**
Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE			
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**
Sec. 109. TRIAL COURT OPERATIONS			
Full-time equated exempted positions	26.0		
Court equity fund reimbursements		$	60,815,700
Drug case-flow program			250,000
Drunk driving case-flow program			3,300,000
Judicial technology improvement fund			4,815,000
Juror compensation reimbursement—FTE	1.0		6,616,200
Statewide e-file system—FTEs	25.0		12,007,200
GROSS APPROPRIATION		**$**	**87,804,100**
Appropriated from:			
Special revenue funds:			
Court equity fund			50,440,000

		For Fiscal Year Ending Sept. 30, 2026
Drug case information management fund	$	250,000
Drunk driving case-flow assistance fund		3,300,000
Judicial electronic filing fund		12,007,200
Judicial technology improvement fund		4,815,000
Juror compensation fund		6,616,200
State general fund/general purpose	**$**	**10,375,700**
Sec. 110. ONE-TIME APPROPRIATIONS		
Judicial tenure commission	$	500,000
Juvenile life resentencing		2,325,000
Statewide case management system		2,007,600
Supreme court administration - office of reporter of decisions		167,400
GROSS APPROPRIATION	**$**	**5,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**5,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $372,542,100.00 and total state spending under part 1 from state sources to be paid to local units of government is $151,181,500.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

JUDICIARY		
SUPREME COURT		
Drug treatment courts	$	9,216,700
Mental health courts and diversion services		5,779,400
Next generation Michigan court system		4,116,000
State court administrative office		200,000
Swift and sure sanctions program		1,537,600
Veterans courts		1,061,200
JUSTICES' AND JUDGES' COMPENSATION		
Circuit court judicial salary standardization	$	10,196,800
District court judicial salary standardization		10,608,600
OASI, Social Security		1,459,400
Probate court judges' state base salaries		14,486,400
Probate court judicial salary standardization		4,715,300
TRIAL COURT OPERATIONS		
Court equity fund reimbursements	$	60,815,700
Drug case-flow program		250,000
Drunk driving case-flow program		3,300,000
Judicial technology improvement fund		4,815,000
Juror compensation reimbursement		6,616,200
Statewide e-file system		12,007,200
TOTAL	**$**	**151,181,500**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "DOJ" means the United States Department of Justice.

(b) "DOT" means the United States Department of Transportation.

(c) "FTE" means full-time equated exempted positions.

(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.

(g) "Standard report recipients" means the senate and house appropriations subcommittees on corrections and judiciary, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(h) "Title IV-D" means the part of the federal social security act, 42 USC 301 to 1397mm, pertaining to the child support enforcement program.

(i) "Title IV-E" means the part of the federal social security act, 42 USC 301 to 1397mm, pertaining to the foster care program.

Sec. 204. The judicial branch shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The state court administrative office shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by judicial branch employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the judicial branch's budget. The state court administrative office shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 207. Not later than December 15, the judicial branch shall cooperate with the state budget office to prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major judicial program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 208. From the funds appropriated in part 1, the judicial branch shall maintain a searchable website accessible by the public at no cost that posts all of the expenditures made by the judicial branch within a fiscal year. A post must include the purpose for the expenditure. The judicial branch shall not provide financial information on the public website that would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that financial information.

Sec. 209. Not later than 14 days after the release of the executive budget recommendation, the judicial branch shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $12,043,600.00 for the judicial branch. From this amount, total appropriations for pension-related legacy costs for the judicial branch are estimated at $10,862,600.00. Total appropriations for retiree health care legacy costs for the judicial branch are estimated at $1,181,000.00.

Sec. 211. The judicial branch shall not take disciplinary action against an employee of the judicial branch because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the judicial branch is exercising its authority as provided by law.

Sec. 212. The judicial branch shall receive and retain copies of all reports funded from appropriations in part 1. The judicial branch shall follow federal and state law and guidelines for short-term and long-term retention of records. The judicial branch may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 213. To the extent possible, the judicial branch shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 214. Not later than 6 months after the state budget office issues work project letters, the judicial branch shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 215. (1) Funds appropriated in part 1 to an entity in the judicial branch must 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.

(2) Funds appropriated to the judicial branch must not be expended by a component in the judicial branch without the approval of the supreme court.

Sec. 216. The judicial branch shall make each report required under this act readily accessible to the public and conspicuously post each required report in a single archivable location on the judicial branch's website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the judicial branch's website, the judicial branch shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 217. Not later than November 15, the judicial branch shall disclose on a publicly accessible website private and other third-party funds received by the judicial branch in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

JUDICIAL BRANCH

Sec. 301. From the funds appropriated in part 1 for the judicial branch, $711,900.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and for costs associated with the court of claims.

Sec. 302. A member of the legislature may request a report or data from the data collected in the judicial data warehouse. The report must be made available to the public upon request, unless disclosure is prohibited by court order or state or federal law. If data is provided under this section, the data must be public and nonidentifying information, as determined by the state court administrative office. As used in this section, "nonidentifying information" means information that does not include personal information that, if released, would be considered invasion of privacy.

Sec. 303. From the funds appropriated in part 1 for community dispute resolution, community dispute resolution centers shall provide dispute resolution services specified in the community dispute resolution act, 1988 PA 260, MCL 691.1551 to 691.1564, help reduce suspensions and truancy, and improve school environment. The funds appropriated in part 1 for community dispute resolution may be used to develop or expand juvenile diversion services in coordination with local prosecutors.

Sec. 304. If funds in the court fee fund are insufficient 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 is appropriated from the state general fund for judges' compensation. If an appropriation from the state general fund is necessary under this section, not later than 14 days after the appropriation, the state court administrative office shall submit a report to the standard report recipients and the senate and house appropriations committees.

Sec. 305. From the funds appropriated in part 1, the state court administrative office shall submit a report on drug treatment, mental health, and veterans court programs in this state not later than March 1. The report must include all of the following information for each individual court, by program:

(a) The number of each type of program.

(b) The number of program participants.

(c) The impact of the programs on offender criminal involvement and recidivism.

(d) An accounting of previous fiscal year expenditures, including grant amounts requested, grant amounts awarded, and grant amounts expended.

Sec. 306. (1) The funds appropriated in part 1 for drug treatment courts must be administered by the state court administrative office to operate drug treatment court programs. 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) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the Michigan judicial institute to provide in-state training for those identified in subsection (1) and new drug treatment court judges.

(3) The state court administrative office may prioritize funding for courts that have a higher number of filed substance use disorder cases.

(4) To assist the department of corrections and avoid prison bed space growth for nonviolent offenders, the judicial branch shall receive $1,500,000.00 in Byrne formula grant funding through an interdepartmental grant from the department of state police to be used to support drug treatment court costs consistent with Byrne grant program criteria.

Sec. 307. (1) From the funds appropriated in part 1 for swift and sure sanctions programs, the state court administrative office shall administer a program to distribute grants to qualifying courts in accordance with the objectives and requirements of the probation swift and sure sanctions act, chapter XIA of the code of criminal procedure, 1927 PA 175, MCL 771A.1 to 771A.8. Not more than $150,000.00 of the funds designated for the program is available to the state court administrative office to pay for employee costs associated with the administration of the program funds. Of the funds designated for the program, $500,000.00 is reserved for programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year. Courts interested in participating in the swift and sure sanctions program may apply to the state court administrative office for a portion of the funds appropriated in part 1 under this section.

(2) Not later than March 1, the state court administrative office, in coordination with the department of corrections, shall submit a report on the swift and sure sanctions program that includes all of the following information for each individual court, by program:

(a) A list of courts that participate in the program.

(b) The number of offenders who participate in the program.

(c) The criminal history of offenders who participate in the program.

(d) The recidivism rate of offenders who participate in the program, including the rate of return to jail, prison, or both.

(e) A detailed description of the establishment and parameters of the program.

(f) An accounting of previous fiscal year expenditures, including, but not limited to, grant amounts requested by the courts, grant amounts awarded to the courts, and grant amounts expended by the courts.

Sec. 308. From the funds appropriated in part 1, the judicial branch shall support a statewide legal self-help internet website and local nonprofit self-help centers that use the statewide website to provide assistance to individuals who represent themselves in civil legal proceedings. The state court administrative office shall summarize the costs to maintain the website, provide statistics on the number of individuals who visit the website, and provide information on content usage, form completion, and user feedback not later than March 1 for the previous fiscal year.

Sec. 309. From the funds appropriated in part 1, the state court administrative office shall submit a report on the statewide judicial case management system not later than March 1. The report must provide a status update on development and implementation of the statewide judicial case management system and must include all appropriation and expenditure data for all previous and the current fiscal years.

Sec. 310. The state court administrative office shall not impose local user fees or collect local user fees from trial courts that are using the statewide judicial case management system.

Sec. 311. (1) If Byrne formula grant funding is awarded to the state appellate defender office in excess of the amount appropriated in part 1, the state appellate defender office may receive and expend not more than $250,000.00 of Byrne formula grant funds as an interdepartmental grant from the department of state police.

(2) If the state appellate defender office receives federal grant funding from the United States Department of Justice in excess of the amount appropriated in part 1, the state appellate defender office may receive and expend not more than $300,000.00 in federal grant funds.

Sec. 312. (1) From the funds appropriated in part 1 for drug treatment courts, the judicial branch shall maintain a medication-assisted treatment program to provide treatment for opioid-addicted and alcohol-addicted individuals who are referred to and voluntarily participate in the medication-assisted treatment program.

(2) Not later than March 1, the judicial branch shall report on the medication-assisted treatment program. The report must include itemized spending by court, the number of participants, and statistics that indicate average program participation duration and success rates.

Sec. 313. (1) From the funds appropriated in part 1, the state appellate defender office shall operate the program to ensure this state's compliance with *Montgomery v Louisiana*, 577 US 190 (2016), *People v Parks*, 510 Mich 225 (2022), *People v Stovall*, 510 Mich 301 (2022), *People v Poole*, ___ Mich App ___; ___ NW2d ___ (2024) (COA #352589, January 18, 2024), *People v Czarnecki*, Mich (2025), and *People v Taylor*, Mich (2025). The purpose of the program is to ensure competent, resourced, and supervised counsel in cases that involve resentencing individuals who are serving a life sentence for an offense committed when the individuals were 20 years of age or younger.

(2) The state appellate defender office shall submit a report not later than March 1 on the number of cases investigated and prepared by the state appellate defender office under subsection (1). The report must include a calculation of the hours spent and the incremental costs associated with the investigation and robust examination of each case.

Sec. 314. (1) The funds appropriated in part 1 for Michigan appellate assigned counsel system roster attorney compensation grants must be deposited into the restricted Michigan appellate assigned counsel system attorney compensation fund created in subsection (2).

(2) The Michigan appellate assigned counsel system attorney compensation fund is created in the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund and credit to the fund interest and earnings from fund investments. Unexpended funds at the close of the fiscal year must remain in the fund and shall not lapse to the general fund. The judicial branch shall be the administrator of the fund for auditing purposes. The judicial branch shall expend money from the fund to provide payments to indigent defense systems as provided under section 8a of the appellate defender act, 1978 PA 620, MCL 780.718a.

(3) All funds available in the Michigan appellate assigned counsel system attorney compensation fund are appropriated and available for expenditure as provided by law.

ONE-TIME APPROPRIATIONS

Sec. 401. From the one-time funds appropriated in part 1 for judicial tenure commission, the judicial tenure commission may hire up to 3.0 limited term employees to assist the commission with addressing the judicial complaint backlog.

Sec. 402. From the one-time funds appropriated in part 1 for juvenile life resentencing, the state appellate defender office may hire up to 14.0 limited term employees to support the financial impact of recent supreme court decisions that require resentencing of individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20.

Sec. 403. From the one-time funds appropriated in part 1 for supreme court administration – office of reporter of decisions, the supreme court may hire 1.0 limited term employee to serve as an editor for the office of reporter of decisions. The editor must work to reduce the court of appeals backlog of opinions awaiting review and editing.

ARTICLE 9

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of labor and economic opportunity for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	34.5		
Full-time equated classified positions	2,599.0		
GROSS APPROPRIATION		**$**	**1,731,079,700**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**1,731,079,700**
Federal revenues:			
Total federal revenues			1,188,234,200
Special revenue funds:			
Total local revenues			6,200,000
Total private revenues			8,088,200
Total other state restricted revenues			312,373,700
State general fund/general purpose		**$**	**216,183,600**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	34.5		
Full-time equated classified positions	66.0		
Unclassified salaries—FTEs	34.5	$	4,869,600
Executive direction and operations—FTEs	66.0		10,912,100
Property management			6,605,800
GROSS APPROPRIATION		**$**	**22,387,500**
Appropriated from:			
Federal revenues:			
DED, vocational rehabilitation and independent living			3,469,700
DOL, federal funds			3,266,600
DOL-ETA, unemployment insurance			2,661,000
DOL, occupational safety and health			586,500
Federal funds			2,584,700
Special revenue funds:			
Asbestos abatement fund			51,900
Corporation fees			1,951,400
Michigan state housing development authority fees and charges			670,000
Private occupational school license fees			55,900
Radiological health fees			294,800
Safety education and training fund			792,200
Second injury fund			277,600
Securities fees			2,171,100
Self-insurers security fund			151,600
Silicosis and dust disease fund			115,000
Worker's compensation administrative revolving fund			91,100
State general fund/general purpose		**$**	**3,196,400**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 103. WORKFORCE DEVELOPMENT			
Full-time equated classified positions	233.0		
23+ high school diploma program		$	2,000,000
At-risk youth grants			5,184,500
Community and worker economic transition office—FTEs	10.0		2,250,000
Going pro			9,540,800
High school equivalency-to-school program			250,000
Michigan office of rural prosperity—FTE	1.0		2,299,400
MiSTEM advisory council—FTEs	3.0		665,300
Office of future mobility and electrification			1,500,000
Workforce development—FTEs	219.0		439,083,700
GROSS APPROPRIATION		**$**	**462,773,700**
Appropriated from:			
Federal revenues:			
DAG, employment and training			4,000,400
DED-OESE, GEAR-UP			5,500,000
DED-OVAE, adult education			20,000,000
DED-OVAE, basic grants to states			19,000,000
DOL-ETA, workforce investment act			173,488,600
DOL, federal funds			106,336,100
Federal funds			23,225,100
Social security act, temporary assistance to needy families			63,698,800
Special revenue funds:			
Local revenues			300,000
Private funds			4,993,800
Contingent fund, penalty and interest			22,143,900
Defaulted loan collection			166,100
State general fund/general purpose		**$**	**19,920,900**
Sec. 104. REHABILITATION SERVICES			
Full-time equated classified positions	669.0		
Bureau of services for blind persons—FTEs	116.0	$	30,272,000
Centers for independent living			18,718,600
Michigan rehabilitation services—FTEs	553.0		153,845,200
Subregional libraries state aid			451,800
GROSS APPROPRIATION		**$**	**203,287,600**
Appropriated from:			
Federal revenues:			
Federal funds			884,000
DED, vocational rehabilitation and independent living			146,333,900
Supplemental security income			8,588,600
Special revenue funds:			
Local - blind services			100,000
Local - vocational rehabilitation match			5,300,000
Private - blind services, private			111,800
Private - gifts, bequests, and donations			531,500
Michigan business enterprise program fund			350,000
Rehabilitation service fees			151,200
Second injury fund			38,300
State general fund/general purpose		**$**	**40,898,300**
Sec. 105. EMPLOYMENT SERVICES			
Full-time equated classified positions	407.0		
Bureau of employment relations—FTEs	22.0	$	4,674,000
Compensation supplement fund			820,000
First responder presumed coverage claims			6,500,000

			For Fiscal Year Ending Sept. 30, 2026
Insurance funds administration—FTEs	21.0		4,638,900
Michigan occupational safety and health administration—FTEs	217.0		38,972,300
Office of global Michigan—FTEs	15.0		41,949,800
Private and occupational distance learning—FTEs	3.0		879,100
Radiation safety section—FTEs	26.0		4,159,200
Wage and hour program—FTEs	33.0		4,682,200
Worker's compensation board of magistrates—FTEs	10.0		2,316,000
Worker's disability compensation agency—FTEs	56.0		10,104,000
Worker's disability compensation appeals commission—FTEs	4.0		359,200
GROSS APPROPRIATION		**$**	**120,054,700**
Appropriated from:			
Federal revenues:			
DOL, occupational safety and health			16,433,600
HHS, mammography quality standards			513,300
HHS, refugee assistance program fund			38,419,100
Special revenue funds:			
Asbestos abatement fund			870,100
Corporation fees			12,303,600
Distance education fund			380,400
First responder presumed coverage fund			6,500,000
Private occupational school license fees			498,700
Radiological health fees			3,645,900
Safety education and training fund			11,739,000
Second injury fund			2,482,800
Securities fees			11,238,200
Self-insurers security fund			1,543,100
Silicosis and dust disease fund			613,000
Worker's compensation administrative revolving fund			3,398,500
State general fund/general purpose		**$**	**9,475,400**
Sec. 106. UNEMPLOYMENT INSURANCE AGENCY			
Full-time equated classified positions	744.0		
Unemployment insurance agency—FTEs	736.0	$	297,138,500
Unemployment insurance agency - advocacy assistance			1,500,000
Unemployment insurance appeals commission—FTEs	8.0		4,430,600
GROSS APPROPRIATION		**$**	**303,069,100**
Appropriated from:			
Federal revenues:			
DOL-ETA, unemployment insurance			280,315,100
Special revenue funds:			
Contingent fund, penalty and interest			22,754,000
State general fund/general purpose		**$**	**0**
Sec. 107. COMMISSIONS			
Full-time equated classified positions	23.0		
Asian Pacific American affairs commission—FTE	1.0	$	224,500
Commission on Middle Eastern American Affairs—FTE	1.0		215,100
Hispanic/Latino commission of Michigan—FTE	1.0		298,500
Michigan community service commission—FTEs	14.0		19,598,500
Michigan women's commission—FTEs	2.0		1,545,100
Prosperity bureau—FTEs	4.0		911,800
GROSS APPROPRIATION		**$**	**22,793,500**
Appropriated from:			
Federal revenues:			
Federal funds			18,184,400
Special revenue funds:			
Private funds			1,551,100
State general fund/general purpose		**$**	**3,058,000**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 108. INFORMATION TECHNOLOGY			
Information technology services and projects		$	30,750,900
GROSS APPROPRIATION		**$**	**30,750,900**
Appropriated from:			
Federal revenues:			
DED, vocational rehabilitation and independent living			3,193,100
DOL-ETA, unemployment insurance			23,003,200
DOL, occupational safety and health			372,300
Federal funds			592,800
Special revenue funds:			
Asbestos abatement fund			35,300
Corporation fees			484,400
Distance education fund			20,700
Private occupational school license fees			82,400
Radiological health fees			155,900
Safety education and training fund			403,300
Second injury fund			180,700
Securities fees			1,206,200
Self-insurers security fund			125,600
Silicosis and dust disease fund			45,000
State general fund/general purpose		**$**	**850,000**
Sec. 109. MICHIGAN STRATEGIC FUND			
Full-time equated classified positions	130.0		
Arts and cultural program		$	3,700,000
Business attraction and community revitalization			59,350,000
Community college skilled trades equipment program			4,600,000
Entrepreneurship ecosystem			15,650,000
Facility for rare isotope beams			7,300,000
Job creation services—FTEs	130.0		35,898,200
Lighthouse preservation program			250,000
Michigan office of defense and aerospace innovation			4,000,000
Pure Michigan			17,000,000
GROSS APPROPRIATION		**$**	**147,748,200**
Appropriated from:			
Federal revenues:			
Federal funds			3,000,000
NFAH-NEA, promotion of the arts, partnership agreement			1,050,000
State historic preservation, national park service grants			1,900,000
Special revenue funds:			
Local promotion fund			500,000
Private - Michigan council for the arts fund			200,000
Private - special project advances			200,000
Private promotion fund			500,000
21st century jobs trust fund			75,000,000
Contingent fund, penalty and interest			4,600,000
Michigan lighthouse preservation fund			250,000
Michigan state housing development authority fees and charges			4,818,600
State brownfield redevelopment fund			7,004,400
State historic preservation office fees and charges			509,200
State general fund/general purpose		**$**	**48,216,000**
Sec. 110. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY			
Full-time equated classified positions	318.0		
Community development block grants		$	47,000,000
Housing and rental assistance—FTEs	318.0		52,120,800

			For Fiscal Year Ending Sept. 30, 2026
Michigan housing and community development program		$	50,000,000
MSHDA technology services and projects			3,760,900
Payments on behalf of tenants			166,860,000
Property management			3,519,200
GROSS APPROPRIATION		**$**	**323,260,900**
Appropriated from:			
Federal revenues:			
HUD, lower income housing assistance			166,860,000
HUD-CPD, community development block grant			49,773,300
Special revenue funds:			
Michigan housing and community development fund			50,000,000
Michigan state housing development authority fees and charges			56,627,600
State general fund/general purpose		**$**	**0**
Sec. 111. STATE LAND BANK AUTHORITY			
Full-time equated classified positions	9.0		
State land bank authority—FTEs	9.0	$	6,412,400
GROSS APPROPRIATION		**$**	**6,412,400**
Appropriated from:			
Federal revenues:			
Federal revenues			1,000,000
Special revenue funds:			
Land bank fast track fund			3,385,000
State general fund/general purpose		**$**	**2,027,400**
Sec. 112. ONE-TIME APPROPRIATIONS			
Arts and cultural grants		$	1,000,000
Arts and cultural program			8,685,200
Community and worker economic transition office			250,000
Community development financial institutions fund grants			5,000,000
Detroit right to counsel			1,500,000
Emerging community grants			2,000,000
Empowerment			500,000
Focus: HOPE			1,000,000
Food pantry support			800,000
Going pro			22,263,800
Habitat for humanity			500,000
Helmets to hardhats			250,000
Home repair grants			1,228,500
Legislatively directed spending items			28,013,700
Michigan black business alliance			1,000,000
Michigan office of defense and aerospace innovation			1,000,000
Michigan women forward			750,000
Museum support			1,500,000
North Rosedale Park			500,000
Office of global Michigan			500,000
Redford water infrastructure			750,000
Reignite			250,000
SER metro			500,000
Sheet metal training center			1,000,000
Starfish family services			1,000,000
Wage and hour program			1,000,000
Wayne metro			800,000
Workforce and employer expansion			5,000,000
GROSS APPROPRIATION		**$**	**88,541,200**
Appropriated from:			
State general fund/general purpose		**$**	**88,541,200**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $528,557,300.00 and state spending under part 1 from state sources to be paid to local units of government is $49,464,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
Arts and cultural program	$	1,200,000
At-risk youth grants		5,184,500
Going pro		31,804,600
Michigan rehabilitation services		275,000
Workforce development programs		10,999,900
TOTAL	**$**	**49,464,000**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of labor and economic opportunity and entities contained within its organization, including, but not limited to, the fund.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "Fund", unless the context clearly implies a different meaning, means the Michigan strategic fund.

(e) "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 fund.

(f) "MEGA" means the Michigan economic growth authority.

(g) "MiSTEM" means Michigan science, technology, engineering, and mathematics.

(h) "MSHDA" means the Michigan state housing development authority.

(i) "PATH" means Partnership. Accountability. Training. Hope.

(j) "Standard report recipients" means the senate and house appropriations subcommittees on labor and economic opportunity, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(k) "STEM" means science, technology, engineering, and mathematics.

(*l*) "USDOL" means the United States Department of Labor.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house of representatives appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted revenues, federal revenues, local revenues, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $30,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $560,000,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $11,000,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website described in subsection (1) on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 213. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 214. To the extent permissible under the management and budget act, 1984 PA 451, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises 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 geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 215. On a quarterly basis, the department or agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and the senate and house of representatives appropriations committees.

Sec. 216. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 217. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 218. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 221. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 222. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a

conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office must be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 224. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 225. (1) The department shall require, as a condition of each contract or subcontract, that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 226. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 227. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 228. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $39,647,300.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $35,759,400.00. Total appropriations for retiree health care legacy costs for the department are estimated at $3,887,900.00.

Sec. 229. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 230. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 231. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. General fund appropriations in part 1 must not be expended for items in cases where federal funding or private grant funding is available for the same expenditures.

Sec. 302. 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. The department may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The department shall report the amount and source of the funds to the standard report recipients not later than 10 business days after receiving any additional pass-through funds.

Sec. 303. Requirements under this part applicable to the fund and the fund's activities apply regardless of whether the fund delegates its functions and authority to the MEDC.

Sec. 304. (1) Grants supported with private revenues received by the department are appropriated upon receipt and are available for expenditure by the department for purposes specified within the grant agreement and as permitted under state and federal law.

(2) Not later than 10 days after the receipt of a private grant appropriated in subsection (1), the department shall notify the senate and house chairpersons of the subcommittees, the senate and house fiscal agencies, and the state budget director of the receipt of the grant, including the fund source, purpose, and amount of the grant.

(3) The amount appropriated under subsection (1) must not exceed $1,500,000.00.

(4) Not later than March 15, the department shall report to the standard report recipients the amount of private revenue generated in the previous fiscal year and the amount of private revenue carried forward into the current fiscal year.

Sec. 305. (1) The department may charge registration fees to attendees of informational, training, or special events that are sponsored by the department and related to activities that are under the department's purview.

(2) The fees under subsection (1) must reflect the costs for the department to sponsor the informational, training, or special events.

(3) Revenue generated by the registration fees under subsection (1) is appropriated upon receipt and available for expenditure to cover the department's costs of sponsoring informational, training, or special events.

(4) Revenue generated by registration fees under this section in excess of the department's costs of sponsoring informational, training, or special events must carry forward to the subsequent fiscal year and not lapse to the general fund.

(5) The amount appropriated under subsection (3) must not exceed $500,000.00.

(6) Not later than March 15, the department shall report to the standard report recipients on the amount of registration fees generated in the previous fiscal year and the amount of registration fees carried forward into the current fiscal year.

Sec. 306. (1) The department may sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents must revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury. This subsection applies only to R 418.10101 to R 418.101503 of the Michigan Administrative Code.

(2) Unexpended funds at the end of the fiscal year must carry forward to the subsequent fiscal year and not lapse to the general fund. The money carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

(3) Not later than March 15, the department shall report to the standard report recipients the amount of revenue generated from the sale of documents produced and distributed by the department in the previous fiscal year and the amount of revenue generated from the sale of documents produced and distributed by the department carried forward into the current fiscal year.

Sec. 307. (1) If the revenue collected by the department for radiological health administration and projects from fees and collections exceeds the amount appropriated in part 1, the revenue must be carried forward into the subsequent fiscal year. The revenue carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

(2) Not later than March 15, the department shall report to the standard report recipients the total amount of revenue from fees and collections for any radiological health administration and projects that was carried forward from the previous fiscal year.

Sec. 308. Funds appropriated in part 1 must not be used by a department, authority, or agency to purchase an ownership interest in a casino.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 401. (1) Not later than March 15, MSHDA shall submit a report to the standard report recipients on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report must include all of the following:

(a) Information on efforts to raise affordable multifamily and single-family housing production goals.

(b) A summary of each MSHDA program that is intended to increase the supply of affordable multifamily and single-family housing.

(c) An explanation of how programs summarized in subdivision (b) are utilized by the citizens of this state.

(d) MSHDA's status in obtaining its multifamily and single-family housing production goals.

(2) MSHDA shall not restrict eligibility in any financing program for housing units without a permanent foundation unless this restriction is required by the funding source.

Sec. 402. The funds appropriated in part 1 for the Michigan housing and community development program must be expended for projects as described in sections 58b and 58c of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458b and 125.1458c.

Sec. 403. (1) From the funds appropriated in part 1 for housing and rental assistance, not less than 2.0 FTE positions must work to the extent permissible with the department of health and human services on transition and supportive housing to support the transition to permanent housing with MSHDA.

(2) Not later than March 15, the department shall report to the standard report recipients the work that MSHDA has undertaken with the department, the fund, and the department of health and human services and any other department.

Sec. 405. (1) It is the intent of the legislature that the state budget director use the state budget director's authority under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, to lapse a total of $14,000,000.00 appropriated under 2022 PA 166, for work project number TW3235023.

(2) If the state budget director lapses work project number TW3235023, the lapsed funds shall be appropriated in addition to the funds appropriated in part 1 for grants to local land banks for blight removal or redevelopment projects. The department shall notify the standard report recipients if funds are appropriated under this subsection.

STATE LAND BANK AUTHORITY

Sec. 451. (1) In addition to the amounts appropriated in part 1, the state land bank 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. The state land bank authority may establish partnerships with local land bank authorities.

(2) Not later than March 15, the state land bank authority shall submit a report to the standard report recipients on the number of real properties acquired, leased, managed, demolished, maintained, or rehabilitated in the previous fiscal year and list any partnerships that the state land bank authority has with any local land bank authorities. The report must also include a list of any properties sold by or otherwise transferred from the state land bank authority in the previous fiscal year.

MICHIGAN STRATEGIC FUND

Sec. 501. The report required under section 9 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2009, must be transmitted not later than March 15.

Sec. 502. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of "Pure Michigan" and all other copyrighted slogans and images. 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 this state as a travel destination. The funds are available for expenditure when they are received by the department of treasury. If the fund receives revenues from the use of "Pure Michigan", the fund shall provide a report that lists the revenues by source received from the use of "Pure Michigan" and all other copyrighted slogans and images. The report must provide a detailed list of expenditures of revenues received under this section. The report must be provided to the standard report recipients not later than March 15.

Sec. 503. (1) Funds appropriated in part 1 for Pure Michigan must be used for the following purposes:

(a) Conduction of market research regionally, nationally, and internationally for use in market campaigns.

(b) Production of advertisements for the promotion of Michigan as a place to live, learn, build, work, play, and succeed.

(c) Placement of advertisements that have a diverse representation in regional, national, and international market campaigns to promote Michigan as a state that welcomes all individuals and families.

(d) Not more than 4.0% of the appropriation for administration of the program.

(e) Matching marketing campaigns funded from the local promotion fund or private promotion fund.

(2) Subject to the approval of the Michigan strategic fund board, the fund may contract any of the activities under subsection (1).

(3) The fund may work in cooperation with local units of government, nonprofit entities, and private entities on Pure Michigan promotion campaigns. The fund shall include agreements prior to undertaking cooperative marketing campaigns.

(4) The department shall provide an annual report to the standard report recipients not later than March 15 on the utilization of funds for eligible activities in subsection (1), including a breakdown by eligible use, efforts taken to broaden the scope of marketing activities to diverse populations, a breakdown of funds spent within this state and outside of this state, targeted marketing to encourage residents from other states to move to this state, and how much was expended on market research.

(5) As prescribed by the legislature, funds appropriated to Pure Michigan must be used only for this state to market itself as a travel and tourist destination with the sole purpose of attracting new visitors and retaining former visitors. All of the following apply to marketing under this subsection:

(a) Promotion may be made by print, television, radio, and social media.

(b) The purpose of the advertisements under subdivision (a) must be to attract tourism and leisure travelers to this state.

(c) Advertisements that incorporate the Pure Michigan Byways campaign satisfy the requirement under subdivision (b).

(6) Each local visitor bureau can only receive dollars appropriated to Pure Michigan once per fiscal year.

Sec. 504. (1) A local promotion fund is created in the department. The fund may receive funds from local units of government and nonprofit entities and deposit these funds into the local promotion fund. Funds received are available for expenditure for use in Pure Michigan promotion campaigns. The fund may maintain individual accounts for local units of government and nonprofit entities that deposit funds into the local promotion fund upon request from a local unit of government. As used in this subsection, "local unit of government" includes cities, villages, townships, counties, and regional councils of government.

(2) Local promotion funds appropriated in part 1 may be used for media production and placements, national and international marketing campaigns, and for other activities that promote Michigan as a place to live, work, and play.

(3) Any unexpended or unencumbered balance must be disposed of in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(4) The department shall provide a report to the standard report recipients not later than March 15 on any funds that have been generated by local units of government and how those funds have been expended.

Sec. 505. (1) A private promotion fund is created in the department. The fund may receive funds from private entities and deposit these funds into the private promotion fund. Funds received are available for expenditure for use in Pure Michigan promotion campaigns. The fund may maintain individual accounts for private entities that deposit funds into the private promotion fund upon request from a private entity.

(2) Private promotion funds appropriated in part 1 may be used for media production and placements, national and international marketing campaigns, and for other activities that promote Michigan as a place to live, work, and play.

(3) Any unexpended or unencumbered balance shall be disposed of in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

Sec. 506. (1) As a condition of receiving funds appropriated in part 1, the fund must provide a report of all approved amendments to projects for the immediately preceding year under sections 88r and 90b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088r and 125.2090b. The report must provide a description of each amendment, by award, that includes, but is not limited to, the following:

(a) The amended award amount relative to the prior award amount.

(b) The amended number of committed jobs relative to the prior number of committed jobs.

(c) The amended amount of qualified investment committed relative to the prior amount of qualified investment committed.

(d) A description of any change in scope of the project.

(e) A description of any change in project benchmarks, deadlines, or completion dates.

(f) The reason or justification for the amendment approval.

(2) In addition to being posted online, the report must be distributed to the standard report recipients not later than March 15.

Sec. 507. (1) As a condition of receiving funds appropriated in part 1, the fund must request the following information from the MEDC:

(a) Approved budget from the MEDC executive committee for the current fiscal year and actual budget expenditures for the previous fiscal years.

(b) Expenditures and revenues as part of the current and previous year budgets, including the available fund balance for the current and previous fiscal years.

(c) The total number of FTEs, by state and corporate status and whether the position is currently filled or unfilled.

(d) A reporting of activities, programs, and grants consistent with the previous fiscal year budget.

(e) A description of all subprograms funded with the business attraction and community revitalization line item.

(2) Information received by the fund under this section must be posted online and distributed to the standard report recipients not later than March 15.

Sec. 508. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund must include language that states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the MEDC will work cooperatively with that private organization in that local area.

Sec. 509. (1) From the funds appropriated in part 1, the department shall notify the standard report recipients no later than 45 days after the purchase of land or options on land and include in the notification the location of the land, information on the entity that sold the land, and the purchase price of the land or option on land.

(2) If land or options on land are purchased under subsection (1), the fund shall provide a report that provides a list of all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases options on land or land. The report must be submitted to the standard report recipients not later than March 15.

Sec. 510. As a condition for receiving funds in part 1, not later than March 15, the fund shall provide a report for the previous fiscal year on the jobs for Michigan investment fund, created in section 88h of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088h. The report must include, but is not limited to, all of the following:

(a) A detailed listing of revenues, by fund source, to the jobs for Michigan investment fund. The listing must include the manner and reason for which the funds were appropriated to the jobs for Michigan investment fund.

(b) A detailed listing of expenditures, by project, from the jobs for Michigan investment fund.

(c) A fiscal year-end balance of the jobs for Michigan investment fund.

Sec. 511. (1) From the appropriations in part 1 to the fund and granted or transferred to the MEDC, any unexpended or unencumbered balance must 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, including encumbered funds subsequently unobligated, must be used for the same purposes for which funding was originally appropriated in this part and part 1.

(3) For funds appropriated in part 1 to the fund, any carryforward authorization subsequently created through a work project must be preserved until a cash or accrued expenditure has been executed or the allowable work project time period has expired.

Sec. 512. (1) As a condition of receiving funds under part 1, the fund must 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 the auditor general's 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 part, the fund may exercise those duties.

Sec. 513. As a condition for receiving the appropriations in part 1, any staff of the MEDC involved in private fund-raising activities must not be party to any decisions regarding the awarding of grants, incentives, or tax abatements from the fund, the critical industry program, the Michigan strategic site readiness program, the MEDC, or the MEGA.

Sec. 514. (1) From the funds appropriated in part 1 for business attraction and community revitalization, not less than 25.0% must be used to provide grant or loan funding for business support services to small and medium-sized businesses, including small business federal grant match and programming costs, technical assistance, manufacturing and automation support services, the match on main program, and the public spaces community places program.

(2) From the funds appropriated in part 1 for business attraction and community revitalization, not less than 19.0% must be used to award grants to small business support hubs and community incubators with the goal of increasing local economic development and community development. Grants may be used for the establishment, expansion, or operation of small business support hubs or community incubators that promote innovation and entrepreneurship, foster local growth, increase access to economic resources, or provide mentorship, training, integrated supports, technical assistance, or networking opportunities. Grantees shall be selected with preference to hubs located in geographically diverse areas that promote innovation and entrepreneurship in the state.

(3) From the funds appropriated in part 1 for business attraction and community revitalization, not less than 30.0% must be used by the business development program to provide cash or loan assistance to small businesses.

(4) From the funds appropriated in part 1 for business attraction and community revitalization, not less than 2.0% must be used to provide supplemental support to community development financial institutions in accordance with section 1002.

(5) From the funds appropriated in part 1 for business attraction and community revitalization, not more than 4.0% may be used for the purposes of administering the programs and activities authorized under the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

(6) All remaining funding for business attraction and community revitalization may be used to support the community revitalization program, and up to 7.0% of the total appropriation may be used to provide additional support to the business development program.

(7) As used in this section:

(a) "Community incubator" means a local hub, combined programming, or a facility designed to foster local growth and innovation by providing startups, small businesses, nonprofit organizations, and community initiatives with access to affordable workspace, resources, mentorship, training, technical assistance, and networking opportunities.

(b) "Small business" means a small business as defined by the United States Small Business Administration.

Sec. 515. (1) The fund shall report to the standard report recipients on the status of the film incentives at the same time as it submits the annual report required under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455. The department of treasury shall provide the fund with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

(a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.

(b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.

(c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.

(d) The amount of any tax credit claimed under former section 367 of the income tax act of 1967, 1967 PA 281.

(e) Any tax credits provided for film and digital media production under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(f) Loans to an eligible production company or film and digital media private equity fund authorized under section 88d(3), (4), and (5) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088d.

(2) The report must include all of the following information:

(a) For each tax credit, the number of contracts signed, the projected expenditures qualifying for the credit, and the estimated value of the credits. For loans, the number of loans made under each section, the interest rate of those loans, the loan amount, the percent of the projected budget of each production financed by those loans, and the estimated interest earnings from the loan.

(b) For credits authorized under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455, for productions completed by December 31, the expenditures of each production eligible for the credit that has filed a request for certificate of completion with the film office, broken down into expenditures for goods, services, or salaries and wages and showing separately expenditures in each local unit of government, including expenditures for personnel, whether or not they were made to a Michigan entity, and whether or not they were taxable under the laws of this state.

(c) For loans, the report must include the number of loans that have been fully repaid, with principal and interest shown separately, and the number of loans that are delinquent or in default, and the amount of principal that is delinquent or is in default.

(d) For each of the tax credit incentives and loan incentives listed in subsection (1), a breakdown for each project or production showing each of the following:

(*i*) The number of temporary jobs created.

(*ii*) The number of permanent jobs created.

(*iii*) The number of persons employed in Michigan as a result of the incentive, on a full-time equated basis.

(3) For any information not included in the report due to the provisions of section 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, the report shall do all of the following:

(a) Indicate how the information would describe the commercial and financial operations or intellectual property of the company.

(b) Attest that the information has not been publicly disseminated at any time.

(c) Describe how disclosure of the information may put the company at a competitive disadvantage.

(4) Any information not disclosed due to the provisions of section 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, must be presented at the lowest level of aggregation that would no longer describe the commercial and financial operations or intellectual property of the company.

(5) As a condition of receiving funds in part 1, not later than March 15, the fund shall provide a report on the activities of the Michigan film and digital media office for the previous fiscal year to the standard report recipients. The report must include, but is not limited to, a listing of all projects the Michigan film and digital media office provided assistance on, a listing of the services provided for each project, and an estimate of investment leveraged.

Sec. 516. As a condition of receiving an award from the fund, each business incubator or accelerator that received an award from the fund must maintain and update a dashboard of indicators to measure the effectiveness of the business incubator and accelerator programs. Indicators must include the direct jobs created, new companies launched as a direct result of business incubator or accelerator involvement, businesses expanded as a direct result of business incubator or accelerator involvement, direct investment in client companies, private equity financing obtained by client companies, grant funding obtained by client companies, and other measures developed by the recipient business incubators and accelerators in conjunction with the MEDC. Dashboard indicators must be reported for the previous fiscal year and cumulatively, if available. Each recipient shall submit a copy of their dashboard indicators to the fund by March 1. The fund shall transmit the local reports not later than March 15.

Sec. 517. (1) From the appropriations in part 1, the Michigan arts and culture council shall administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline for administering this program. The council shall do all of the following:

(a) Not later than October 1, publish proposed application criteria, instructions, and forms for use by eligible applicants. The council shall provide at least a 2-week period for public comment before finalizing the application criteria, instructions, and forms.

(b) Assess a nonrefundable application fee that may be applied for each application. Application fees must be deposited in the council for the arts fund and are appropriated for expenses necessary to administer the programs. These funds are available for expenditure when they are received and may be carried forward to the subsequent fiscal year.

(c) Issue grants to public and private arts and cultural entities.

(d) Not later than 1 business day after the award announcements, provide to each member of the legislature and the fiscal agencies a list of all grant recipients and the total award given to each recipient, sorted by county.

(e) In addition to the information in subdivision (d), report on the number of applications received, number of grants awarded, total amount requested from applications received, and total amount of grants awarded.

(2) Up to 3.0% of the funds appropriated in part 1 for arts and cultural program may be expended for the administration of the grant program.

Sec. 518. (1) The general fund/general purpose funds appropriated in part 1 to the fund for business attraction and community revitalization must be transferred to the 21st century jobs trust fund per section 90b(3) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090b.

(2) Funds transferred to the 21st century jobs trust fund under subsection (1) are appropriated and available for allocation as authorized in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

Sec. 519. For the funds appropriated in part 1 for business attraction and community revitalization, the fund shall report quarterly to the standard report recipients on the amount of funds considered appropriated, pre-encumbered, encumbered, and expended by current fiscal year appropriation and each work project for any previous fiscal years. The report must also include a listing of all previous appropriations for business attraction and community revitalization, or a predecessor, that were considered appropriated, pre-encumbered, encumbered, or expended that have lapsed back to the fund for any purpose. The report must be submitted to the standard report recipients.

Sec. 520. (1) The fund, in conjunction with the department of treasury, shall report not later than November 1 on the annual cost of the MEGA tax credits. The report must include for each year the board-approved credit amount, adjusted for credit amendments where applicable, and the actual and projected value of tax credits for each year from 1995 to the expiration of the credit program. For years for which credit claims are complete, the report must include the total of actual certificated credit amounts. For years that claims are still pending or not yet submitted, the report must include a combination of actual credits where available and projected credits. Credit projections must be based on updated estimates of employees, wages, and benefits for eligible companies.

(2) In addition to the report under subsection (1), the fund, in conjunction with the department of treasury, shall report to the standard report recipients not later than November 1 on the annual cost of all other certificated credits by program, for each year until the credits expire or can no longer be collected. The report must include estimates on the brownfield redevelopment credit, film credits, MEGA photovoltaic technology credit, MEGA polycrystalline silicon manufacturing credit, MEGA vehicle battery credit, and other certificated credits.

Sec. 521. As a condition of receiving appropriations in part 1, prior to authorizing the transfer of any previously authorized tax credit that would increase the liability to this state, the fund, on behalf of the fund's board, must notify the standard report recipients of the transfer of any previously authorized tax credit that would increase the liability to this state not fewer than 30 days prior to the authorization of the tax credit transfer.

Sec. 522. (1) From the funds appropriated in part 1 for business attraction and community revitalization, the fund shall identify specific outcomes and performance measures, including, but not limited to, the following:

(a) Total verified jobs created by the business attraction program during the previous fiscal year.

(b) Total private investment obtained through the business attraction and community revitalization programs during the previous fiscal year.

(c) Amount of private and public square footage created and reactivated through the community revitalization program during the previous fiscal year.

(2) The fund shall submit a report to the standard report recipients not later than March 15. The report must describe the specific outcomes and measures required in subsection (1) and provide the results and data related to these outcomes and measures for the previous fiscal year if related information is available for the previous fiscal year. The report must also contain a summary of any metrics used to evaluate the outcomes and performance of any programs.

Sec. 523. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the succeeding fiscal year.

Sec. 524. Tax capture revenues collected in accordance with written agreements under the good jobs for Michigan program and transferred from the general fund for deposit into the good jobs for Michigan fund, and for both calculated payments from the good jobs for Michigan fund to authorized businesses and distributions to the fund for administrative expenses, are appropriated under the provisions of chapter 8D of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090g to 125.2090j.

Sec. 525. The department shall provide a report to the standard report recipients on March 15 that includes, but is not limited to, fiscal year-to-date expenditures by division and program unit within the job creation services line item. The report must contain detailed information on expenditures and programs within the state historic preservation office, including a list of any entities that receive financial support from the state historic preservation office.

Sec. 526. (1) The funds appropriated in part 1 for Michigan office of defense and aerospace innovation shall be used by the Michigan strategic fund to protect and grow the defense and homeland security industry in this state by protecting this state's current department of defense missions, infrastructure, and industry, including securing new missions and increasing defense and homeland security spending in this state. These funds may be used for, but are not limited to, the following activities:

(a) Helping businesses in this state identify federal defense contract opportunities.

(b) Providing technical assistance for bid responses to federal defense contracts.

(c) Strengthening cybersecurity compliance at businesses in this state to qualify for federal defense contracts.

(2) Not later than March 15, the Michigan office of defense and aerospace innovation shall provide an annual report to the standard report recipients. The report must include, but is not limited to, all of the following:

(a) A strategic plan for the organization.

(b) An overview of the defense industry in this state, including identification of recent accomplishments and services provided to businesses in this state in the most recent year.

(c) A list of expenditures used to fund memberships in organizations and costs associated with attending conferences and expositions in the previous fiscal year.

(d) The most recent annual figures on direct domestic defense-related contracts and grants awarded to Michigan-based entities in the previous fiscal year.

(e) A summary of contracts or defense industry business with international clients.

EMPLOYMENT SERVICES

Sec. 601. From the funds appropriated in part 1 for wage and hour program, the department shall continue to engage with employers and employees to enhance education and outreach, in accordance with the youth employment standards act, 1978 PA 90, MCL 409.101 to 409.124, 1978 PA 390, MCL 408.471 to 408.490, the improved workforce opportunity wage act, 2018 PA 337, MCL 408.931 to 408.945, the earned sick time act, 2018 PA 338, MCL 408.961 to 408.974, the human trafficking notification act, 2016 PA 62, MCL 752.1031 to 752.1040, and 2023 PA 10, MCL 408.1101 to 408.1126, and private right of action.

Sec. 602. (1) In addition to the funds appropriated in part 1, all funds necessary to pay approved claims and administrative costs incurred during this fiscal year, as allowed in the Christopher R. Slezak first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405, are appropriated for the purposes authorized under section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(2) The department shall provide a year-end report to the Michigan gaming control board, the department of treasury, and the state budget office that includes, but is not limited to, the total of all approved claims and administrative costs incurred as of September 30 of the current fiscal year.

WORKFORCE DEVELOPMENT

Sec. 701. The department shall administer the PATH training program in accordance with the requirements of section 407(d) of title IV of the social security act, 42 USC 607, the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 702. (1) From the funds appropriated in part 1 for workforce development, the department may allocate funding for grants to nonprofit organizations that offer programs under the workforce innovation and opportunity act, 29 USC 3101 to 3361, for eligible youth that focus on apprenticeship readiness, pre-apprenticeship and apprenticeship activities, entrepreneurship, work-readiness skills, job shadowing, or financial literacy. Additionally, programs eligible for funding under this section must include the participation of local business partners. The department shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

(2) Not later than March 15, the department shall report at least all of the following:

(a) Total grants expended under this section in the previous fiscal year.

(b) The total number of students served from the grants appropriated under this section.

(c) A list of all organizations and the amount each organization received from the funding appropriated under this section.

Sec. 703. From the funds appropriated in part 1, the department shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works service centers, as resources permit, during hours of operation, and shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 704. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted funds allocated under the federal workforce innovation and opportunity act, 29 USC 3101 to 3361, or trade adjustment assistance funds available from previous fiscal years are appropriated for the purposes originally intended.

(2) The department shall report to the standard report recipients not later than March 15 on the amount, by fiscal year, of funds allocated under the federal workforce innovation and opportunity act, 29 USC 3101 to 3361, appropriated under this section.

Sec. 705. (1) The department shall publish data and reports on April 30 and October 30 on the department website concerning the status of Going pro funded in part 1. The report must include the following:

(a) The number of awardees participating in the program and the names of those awardees organized by major industry group.

(b) The amount of funding received by each awardee under the program.

(c) The amount of funding leveraged from each awardee.

(d) The training models established by each awardee.

(e) The number of individuals enrolled in classroom training, on-the-job training, or new USDOL registered apprentices.

(f) The number of qualified employees who completed the approved training.

(g) The number of applications received and the number of grants awarded for each region.

(h) The number of individuals hired and trained, the number of incumbent workers trained, and the number of USDOL registered apprentices.

(i) Going pro expenditures by fiscal year. Active fiscal years must display projected expenditure data and closed fiscal years must display final expenditure data.

(2) The department shall expand workforce training and reemployment services to better connect workers to in-demand jobs and identify specific outcomes with performance metrics for this initiative, including, but not limited to, new apprenticeships, individuals to be hired and trained, current employees trained, training completed, employment retention rate at 6 months, and hourly wage at 6 months.

Sec. 706. To the extent consistent with sections 7 and 9 of the Going pro talent fund act, 2018 PA 260, MCL 408.157 and 408.159, the department shall administer the program as follows:

(a) The department shall work cooperatively with grantees to maximize the amount of funds from part 1 that are available for direct training.

(b) The department, workforce development partners, including regional Michigan works agencies, and employers shall collaborate and work cooperatively to prioritize and streamline the expenditure of the funds appropriated in part 1. The department shall ensure that Going pro provides a collaborative statewide network of workforce and employee skill development partners that addresses the employee talent needs throughout this state.

(c) The department shall do all of the following:

(*i*) Develop program goals and detailed guidance for prospective participants to follow to qualify under the program.

(*ii*) Post the program goals and detailed guidance on the department's website and distribute the program goals and detailed guidance to workforce development partners, including local Michigan works agencies, not later than October 1.

(*iii*) Conduct periodic assessments of employer and employee needs that are evaluated on a regional basis.

(*iv*) Identify solutions and goals to be implemented to satisfy employer and employee needs.

(*v*) Add scoring criteria that incentivize awards to new and diverse program applicants.

(d) The department shall use not more than 2% of the total Going pro appropriation for administration of the program.

(e) Not less than 5% of available funding must be reserved for businesses in talent fund priority industry sectors that submit competitive applications.

(f) Allow the MiSTEM council to assist in processing grant applications.

Sec. 707. The funds appropriated in part 1 for MiSTEM advisory council must be used to support the staff for the MiSTEM network, and for administrative, training, and travel costs related to the MiSTEM council. The staff for the MiSTEM network shall do all of the following:

(a) Serve as a liaison among and between the department, the department of lifelong education, advancement, and potential, the department of education, the MiSTEM council, the governor's workforce development board, the MiSTEM regions, and any other relevant organization or entity in a manner that creates a robust statewide STEM culture, empowers STEM teachers, integrates business and education into the STEM network, and ensures high-quality STEM experiences for pupils.

(b) Coordinate the implementation of a marketing campaign, including, but not limited to, a website that includes dashboards of outcomes, to build STEM awareness and communicate STEM needs and opportunities to pupils, parents, educators, and the business community.

(c) Work with the department of education and the MiSTEM council to coordinate, award, and monitor MiSTEM state and federal grants to the MiSTEM network regions and conduct reviews of grant recipients, including, but not limited to, pupil experience and feedback.

(d) Report to the governor, the legislature, and the MiSTEM council annually on the activities and performance of the MiSTEM network regions.

(e) Coordinate recurring discussions and work with regional staff to ensure that a network or loop of feedback and best practices are shared, including funding, programming, professional learning opportunities, discussion of MiSTEM strategic vision, and regional objectives.

(f) Coordinate major grant application efforts with the MiSTEM council to assist regional staff with grant applications on a local level. The MiSTEM council shall leverage private and nonprofit relationships to coordinate and align private funds in addition to funds appropriated under this section.

(g) Train state and regional staff in the STEMworks rating system, in collaboration with the MiSTEM council and the Michigan department of education.

(h) Hire MiSTEM network region staff in collaboration with the network region fiscal agent.

Sec. 708. (1) From the funds appropriated in part 1 for workforce development, the department shall provide a report on the status of workforce development not later than March 15 to the standard report recipients. The report must include the following:

(a) The amount of funding allocated to each Michigan works agency and the total funding allocated to the workforce training programs statewide by fund source.

(b) The number of participants enrolled in education or training programs by each Michigan works agency.

(c) The average duration of training for training program participants by each Michigan works agency.

(d) The number of participants enrolled in remedial education programs and the number of participants enrolled in literacy programs.

(e) The number of participants enrolled in programs at 2-year institutions.

(f) The number of participants enrolled in programs at 4-year institutions.

(g) The number of participants enrolled in proprietary schools.

(h) The number of participants enrolled in technical training programs.

(i) The number of participants who completed an education or training program.

(j) The number of participants who completed a training program and secured employment in a field related to their training.

(k) The average wage earned by participants who completed a training program and secured employment within 1 year.

(*l*) The actual revenues received by the fund source and fund appropriated for each discrete workforce development program area.

(m) The average cost of training per individual served, with an average provided for participants at 2-year institutions, participants at 4-year institutions, participants at proprietary schools, and participants at technical training programs.

(2) Data collection for the report must be for the previous state fiscal year.

Sec. 710. (1) The funds appropriated in part 1 for 23+ high school diploma program must be awarded for a program to assist adults 23 years of age or older in obtaining high school diplomas and placement in career training programs.

(2) For purposes of this section, an eligible program provider may be a public, nonprofit, or private accredited diploma-granting institution, but must have not less than 2 years of experience providing dropout recovery services in this state.

(3) The department shall issue a request for qualifications for eligible program providers to participate in the program. To be considered a qualified program provider, the institution must offer all of the following:

(a) Dropout reengagement services.

(b) Academic intake assessments.

(c) An integrated learning plan.

(d) A course catalog that includes all graduation requirements.

(e) Remediation coursework.

(f) Academic resilience assessment and intervention.

(g) Employability skills development.

(h) Industry recognized credentials.

(i) Credit for on-the-job training.

(j) A robust support framework, including technology, social support, and academic support.

(k) WorkKeys preparation.

(4) The department shall announce qualified program providers not later than January 1 of the current fiscal year. Qualified program providers must start providing programming by February 1 of the current fiscal year.

(5) The department shall reimburse qualified program providers for each month of satisfactory monthly progress as described in section 23a of the state school aid act of 1979, 1979 PA 94, MCL 388.1623a, at a rate of $500.00 per month. A payment shall be made to a qualified program provider for the completion of the following by a pupil:

(a) $500.00 for the completion of an employability skills program equal to at least 1 unit of high school credit obtained through classroom or online instruction.

(b) $250.00 for the attainment of an industry-recognized credential requiring up to 50 hours of training.

(c) $500.00 for the attainment of an industry-recognized credential requiring 50 to 100 hours of training.

(d) $750.00 for the attainment of an industry-recognized credential requiring more than 100 hours of training.

(e) $1,000.00 for the attainment of a high school diploma.

(f) $2,500.00 for placement in a job in an in-demand career pathway.

(6) The department shall develop policies and guidelines to implement this section.

Sec. 711. The funds appropriated in part 1 for at-risk youth grants must be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program for the administration of the Jobs for Michigan's Graduates program.

Sec. 712. (1) The funds appropriated in part 1 for the high school equivalency-to-school program must be used to purchase and distribute vouchers that cover the cost of high school equivalency testing and certification under this section. The department shall administer a Michigan high school equivalency-to-school program that covers the cost of taking a high school equivalency test free of charge for individuals who meet all of the following requirements:

(a) The individual has not previously been administered a high school equivalency test free of charge under this section.

(b) The individual meets at least 1 of the following requirements:

(*i*) Prior to taking the high school equivalency test, the individual successfully completed a department-approved high school equivalency preparation program.

(*ii*) Prior to taking the high school equivalency test, the individual completed the official high school equivalency practice test and the individual's score indicated that the individual is likely to pass.

(2) A department-approved high school equivalency preparation program must include all of the following:

(a) Instructional and tutorial assistances.

(b) High school equivalency test practice.

(c) Required attendance at program instructional sessions.

(d) A curriculum that prepares students for opportunities in postsecondary education and the job market.

(e) Information on potential postsecondary and career pathways.

(f) Counseling on preparing for and applying to college.

(g) Personal and job readiness skills development.

(h) Comprehensive information on college costs and financial aid.

(i) College and career assessments.

(j) Computer-based instruction, practice, or remediation.

(3) The department shall post online an announcement of the Michigan high school equivalency-to-school program, minimum standards for high school equivalency preparation program approval, and approval procedures.

(4) The department shall do all of the following:

(a) Develop procedures consistent with this section under which individuals can take the high school equivalency test without charge.

(b) Provide program information for educators and students on the department website, including explanations of the procedures developed under subparagraph (a), and contact information for questions about the program.

(c) Provide an estimate of the full-year cost of the program to the standard report recipients.

(5) Not later than September 30, the department shall report on utilization of the high school equivalency incentive program to the standard report recipients, including numbers of high school equivalency certifications issued by location, year-to-date expenditures, and numbers of participants qualifying under subsection (1)(b)(*i*) or (*ii*), or both.

Sec. 713. (1) The department shall provide reporting regarding the interagency agreement with the department of health and human services, which concerns TANF funding to provide job readiness and welfare-to-work programming. The reporting must include specific outcome and performance reporting requirements, as described in this section. TANF funding provided to the department in the current fiscal year is contingent on compliance with the data and reporting requirements described in this section. The department shall provide all of the following items for the previous year not later than January 1 of the current fiscal year:

(a) An itemized spending report on TANF funding, including all of the following:

(*i*) Direct services to clients.

(*ii*) Administrative expenditures.

(b) The number of family independence program clients served through the TANF funding, including all of the following:

(*i*) The number and percentage who obtained employment through Michigan Works!.

(*ii*) The number and percentage who fulfilled their TANF work requirement through other job readiness programming.

(*iii*) Average TANF spending per client.

(*iv*) The number and percentage of clients who were referred to Michigan Works! but did not receive a job or job readiness placement and the reasons why.

(2) Not later than March 15 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on health and human services and the standard report recipients an annual report on the following matters itemized by Michigan works agency:

(a) The number of referrals to Michigan works job readiness programs.

(b) The number of referrals to Michigan works job readiness programs who became a participant in the Michigan works job readiness programs.

(c) The number of participants who obtained employment.

(d) The cost per participant case.

(3) As used in this section, "TANF" means temporary assistance for needy families as described in 42 USC 601 to 619.

Sec. 714. (1) The office of rural prosperity shall encourage and enable appropriate community advancements and improvements, including, but not limited to, all of the following:

(a) Housing.

(b) Infrastructure.

(c) Education.

(d) Workforce development.

(e) Other activities that address needs uniquely present in rural areas of this state and assist in expansion of rural development.

(2) Not later than March 15, the office of rural prosperity shall submit a report to the standard report recipients that outlines the office's activities, programs, and accomplishments in the previous fiscal year. To the extent possible, the report must also include information regarding the amount of subsequent grant funding that entities are able to secure after receiving assistance from the office of rural prosperity or an office of rural prosperity grant.

Sec. 715. (1) From the funds appropriated in part 1 for community and worker economic transition office, the department may hire employees and deploy capabilities to evaluate and address the impacts of economic transitions on workers, communities, and employers in sectors that include, but are not limited to, the auto, utility, manufacturing, and building trades sectors. Activities of the office may include developing transition mitigation strategies, conducting data analysis, coordinating across state and federal agencies, engaging stakeholders, and providing resource navigation support. The department shall develop and submit to the governor and the legislature a community and worker economic transition plan not later than December 31, 2025, as required under sections 7(3)(f) and 9(2) of the community and worker economic transition act, 2023 PA 232, MCL 408.917 and 408.919. No later than March 15, the department shall also submit an annual report on office activities and progress made on the transition plan to the standard report recipients and to the legislature, as required under section 7(5) of the community and worker economic transition act, 2023 PA 232, MCL 408.917.

(2) In the annual report submitted under subsection (1), the department shall include information on the mission statement, goals, metrics, and recommendations of the community and worker economic transition office.

Sec. 717. The department's office of rural prosperity shall collaborate with the department of agriculture and rural development on the rural development fund grant program as part of this state's coordinated strategy for achieving rural prosperity across this state.

UNEMPLOYMENT

Sec. 801. The unemployment insurance agency shall provide a report updated at least quarterly that includes, but is not limited to, fiscal year-to-date expenditures by division and program unit. The unemployment insurance agency shall transmit each quarterly report no later than 60 days after the end of each quarter.

Sec. 802. (1) From the funds appropriated in part 1, the department, on behalf of the unemployment insurance agency, shall provide a quarterly report to the standard report recipients not later than 60 days after the end of each quarter that includes, but is not limited to, the following:

(a) The average number of unique claimants for the quarter.

(b) The average number of eligible claimants with certification for the quarter.

(c) The average number of claims paid for the quarter.

(d) The total amount of standard unemployment insurance payments paid for the quarter.

(e) The total amount of unemployment insurance tax generated for the quarter.

(f) The balance of the Michigan unemployment trust fund at the end of the quarter.

(2) The department shall include the same information required in subsection (1) for the previous 12 months. The department shall include the most recent quarterly report on the department's webpage.

Sec. 803. From the funds appropriated in part 1, the department shall provide a quarterly report not later than 60 days after the end of each quarter that includes, but is not limited to, the following:

(a) The number of new fraudulent and noncompliant cases that have been identified or issued by the unemployment insurance agency, classified by employer or claimant, during the quarter.

(b) The total amount of penalties and interest issued on fraudulent and noncompliant cases during the quarter.

(c) The total amount of penalties and interest dollars received during the quarter by employer or claimant.

(d) The total amount of collectible penalties and interest still owed to this state by employer or claimant.

(e) The number of fraudulent and noncompliant cases that have been appealed by an employer or claimant during the quarter.

Sec. 804. (1) The funds appropriated in part 1 for unemployment insurance agency must be used to staff unemployment insurance agency branch offices for in-person appointments for unemployment insurance agency claimant services.

(2) The department shall provide a biannual report to the standard report recipients not later than March 15 and September 30 that includes all of the following:

(a) The number and location of in-person offices.

(b) The average number of staff at each location over the previous 6 months.

(c) The volume of in-person claimants served at each location in the previous 6 months.

(d) For the previous 6 months, the average number of staff at each location where the unemployment insurance agency offers in-person appointments, the average number of staff assigned to offering virtual appointments, and the average number of staff assigned to offering telephone appointments.

(e) For the previous 6 months, the volume of in-person claimants served at each location, the volume of claimants served through virtual appointments, and the volume of claimants served through telephone appointments.

Sec. 805. (1) Funds appropriated in part 1 for the unemployment insurance agency may be used by the unemployment insurance agency to increase capacity by an estimated 250 limited-term employees only if the unemployment insurance agency provides full-time, in-person services at existing unemployment insurance local offices.

(2) In addition to the 250 limited-term employees described in subsection (1), the unemployment insurance agency may increase capacity by up to 250 additional limited-term employees if all of the following occur:

(a) The unemployment insurance agency provides full-time, in-person services at existing unemployment insurance local offices.

(b) The number of claims received by the unemployment insurance agency increased by 20% or more in a month.

(c) The unemployment insurance agency determines there is a need for additional limited-term employees.

Sec. 806. (1) From the funds appropriated in part 1 for unemployment insurance agency, the department shall maintain customer service standards for employers and claimants making use of the various means by which they can access the system.

(2) The department shall identify specific outcomes and performance metrics for this initiative, including, but not limited to, the following:

(a) Unemployment benefit fund balance.

(b) Process improvement - fiscal integrity.

(c) Process improvement - determination timeliness.

(d) Process improvement - determination quality.

Sec. 807. Funds earned or authorized by the USDOL in addition to the appropriation in part 1 for the unemployment insurance agency 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 standard report recipients of the purpose and amount of each grant award.

REHABILITATION SERVICES

Sec. 901. The Michigan rehabilitation services and bureau of services for blind persons shall work collaboratively with service organizations and government entities to identify allowable match dollars to secure available federal vocational rehabilitation funds.

Sec. 902. From the funds appropriated in part 1, the department shall provide an annual report on efforts taken to improve the Michigan rehabilitation services not later than March 15 to the standard report recipients. The report must include all of the following items:

(a) Reductions and changes in administration costs and staffing.

(b) Service delivery plans and implementation steps achieved.

(c) Reorganization plans and implementation steps achieved.

(d) Plans to integrate Michigan rehabilitative services programs into other services provided by the department.

(e) Quarterly expenditures by major spending category.

(f) Employment and job retention rates from both Michigan rehabilitation services and its nonprofit partners.

(g) Success rate of each district in achieving the program goals.

(h) An explanation of each program goal that is set for Michigan rehabilitation services.

Sec. 903. (1) From the funds appropriated in part 1 for Michigan rehabilitation services, the department shall allocate funding along with available federal match to support the provision of vocational rehabilitation services to eligible agricultural workers with disabilities. Authorized services shall assist agricultural workers with disabilities in acquiring or maintaining quality employment and independence.

(2) Not later than March 15, the department shall report to the standard report recipients on the total number of clients served and the total amount of federal matching funds obtained throughout the duration of the program.

Sec. 904. If the department is at risk of entering into an order of selection for services, the department shall notify the standard report recipients within 2 weeks of receiving notification.

Sec. 905. (1) Funds appropriated in part 1 for independent living must be used to support the general operations of centers for independent living in delivering mandated independent living services in compliance with federal rules and regulations, including 2 CFR 200, for the centers, by existing centers for independent living to serve underserved areas, and for projects to build the capacity of centers for independent living to deliver independent living services. Applications for the funds must be reviewed in accordance with criteria and procedures established by the department. Funds must be used in a manner consistent with the state plan for independent living. Services provided should assist people with disabilities to move toward self-sufficiency, including, but not limited to, support for accessing transportation and health care, obtaining employment, community living, nursing home transition, information and referral services, education, youth transition services, veterans, and stigma reduction activities and community education. This includes the independent living guide services that specifically focus on economic self-sufficiency.

(2) Not later than March 15 and in partnership with service providers, the department shall provide a report to the standard report recipients on direct customer and system outcomes and performance measures.

Sec. 906. Federal workforce innovation and opportunity vocational rehabilitation funds from prior years that are received in amounts in addition to those included in part 1 and that have already met state matching requirements are appropriated for the purposes intended. The department may carry forward into the succeeding fiscal year unexpended federal workforce innovation and opportunity vocational rehabilitation funds that do not require additional state matching funds.

Sec. 907. (1) The appropriation in part 1 for bureau of services for blind persons includes funds for case services. These funds may be used for tuition payments for blind clients.

(2) Revenue collected by the bureau of services for blind persons and from private and local sources that is unexpended at the end of the fiscal year must carry forward to the subsequent fiscal year.

Sec. 908. The bureau of services for blind persons may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, 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. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

Sec. 909. (1) The funds appropriated in part 1 for a regional or subregional library must not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) To receive subregional state aid appropriated in part 1, a regional or 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 includes the regional or subregional library's fiscal agency, the reduction must not be interpreted as a reduction in local support and must not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that includes a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library must not be interpreted as a reduction in local support and must not disqualify a regional or subregional library from receiving state aid under part 1.

COMMISSIONS

Sec. 951. From the funds appropriated in part 1, the office of global Michigan is to coordinate with any affiliated commissions established in statute or by executive order to produce a report by January 31. The report must be submitted to the standard report recipients and must include, but is not limited to, all of the following:

(a) Total numbers of people with whom each commission directly interacts through programming.

(b) Total number of public events that each commission conducted.

(c) A description of the activities that the commissions initiated to promote cooperation between the commissions.

(d) A list of any commissions that interact with the office of global Michigan.

(e) The programmatic costs of each commission.

(f) A list of all grant recipients.

(g) The amount each grant recipient received.

(h) Any grants awarded that relate to the mission statement and the goals of those grants.

Sec. 953. The office of global Michigan must submit a report to the standard report recipients not later than January 31. The report must include all of the following information:

(a) The number of individuals served through each major program and activity.

(b) The number of refugee arrivals, the job placement rate of those refugees actively receiving services under global Michigan grants, and the average wages and initial job placements for those refugees.

(c) A list and description of the activities that the office has conducted to attract and retain international, advanced degree, and entrepreneurial talent.

(d) A list of goals for the office and the metrics used to determine whether each goal is achieved.

ONE-TIME APPROPRIATIONS

Sec. 1001. (1) From the funds appropriated in part 1 for arts and cultural grants, $750,000.00 must be awarded to a cultural exchange network to support a music and arts festival that is free to the public.

(2) From the funds appropriated in part 1 for arts and cultural grants, $250,000.00 must be awarded to a program that supports folk and traditional arts and is based at Michigan State University.

Sec. 1002. (1) The funds appropriated in part 1 for community development financial institutions fund grants are transferred to the Michigan community development financial institutions fund created under this section.

The Michigan community development financial institutions fund is created in the state treasury. All funds in the Michigan community development financial institutions fund, including funds unallocated from prior years, are appropriated for grants to eligible community development financial institutions under this section and related expenditures permitted under this section. The legislature finds and declares that the appropriation described in this section is for a public purpose, including promoting community economic revitalization and community development through community development financial institutions.

(2) Not later than October 31, 2025, the Michigan strategic fund shall develop a grant application consistent with this section that is published and available on its publicly accessible website.

(3) The application required under subsection (2) must include all of the following:

(a) The name of the community development financial institution applying for a grant from the CDFI fund.

(b) The location of the principal office of the applicant.

(c) Documentation indicating whether the applicant is a Michigan CDFI or a multistate CDFI.

(d) An indication of whether the applicant is or is not a depository institution.

(e) The amount of the grant sought, not exceeding the maximum eligible amount of the grant under subsections (4) to (6).

(f) If the community development financial institution is a depository institution, the net assets of the depository institution.

(g) If the community development financial institution is not a depository institution, the amount of qualifying commitments made by the community development financial institution during the 3 applicant fiscal years preceding the fiscal year in which the application is submitted.

(h) A description of the amount an applicant is eligible to apply for under subsections (4) to (6).

(i) A description of the proposed use of the grant award by the applicant for eligible activities consistent with the requirements of this chapter, the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719, and any other requirements applicable under federal law.

(j) Documentation of the applicant's certification as a community development financial institution that meets the eligibility requirements under 12 CFR 1805.201 by the community development financial institutions fund established under section 104 of the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4703. The documentation required by this subdivision may include the list of community development financial institutions in good standing maintained and published by the federal fund.

(k) A statement that the applicant is in compliance with all requirements applicable to the applicant under the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719.

(4) A community development financial institution that is a depository institution is eligible for a grant award in the following amount:

(a) Up to $253,000.00 if the depository institution has total net assets of less than $500,000,000.00.

(b) Up to $380,000.00 if the depository institution has total net assets of $500,000,000.00 to $999,999,999.99.

(c) Up to $507,000.00 if the depository institution has total net assets of $1,000,000,000.00 to $1,999,999,999.99.

(d) Up to $633,000.00 if the depository institution has total net assets of $2,000,000,000.00 or more.

(5) Except as otherwise provided in subsection (6), a community development financial institution that is not a depository institution is eligible for a grant award in the following amount:

(a) Up to $127,000.00 if the community development financial institution made qualifying commitments in an amount that averaged less than $1,000,000.00 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant is submitted.

(b) Up to $380,000.00 if the community development financial institution made qualifying commitments in an amount that averaged from $1,000,000.00 to $3,999,999.99 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant is submitted.

(c) Up to $633,000.00 if the community development financial institution made qualifying commitments in an amount that averaged from $4,000,000.00 to $5,999,999.99 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant is submitted.

(d) Up to $887,000.00 if the community development financial institution made qualifying commitments in an amount that averaged from $6,000,000.00 to $9,999,999.99 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant is submitted.

(e) Up to $1,013,333.00 if the community development financial institution made qualifying commitments in an amount that averaged at least $10,000,000.00 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant is submitted.

(6) A grant to a multistate CDFI that is not a depository institution under subsection (5) must not exceed $633,000.00.

(7) The Michigan strategic fund shall accept applications for a grant under this section until November 30, 2025. The Michigan strategic fund shall approve or deny a grant application within 49 days after the receipt of an administratively complete application as determined by the Michigan strategic fund. If the application complies with the requirements of this section, the Michigan strategic fund shall approve the award of the grant in the amount requested by the applicant. The Michigan strategic fund may deny a grant application submitted under this section only for the following reasons:

(a) The applicant does not satisfy all of the requirements under this section.

(b) Subject to subsection (9), there is insufficient money in the CDFI fund to pay the grant amount requested.

(c) The applicant is not in compliance with applicable requirements under the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719.

(8) If the Michigan strategic fund denies an application under subsection (7), the applicant may provide additional information to the Michigan strategic fund within 7 days after the notice of denial. The Michigan strategic fund shall review and reconsider the application and additional information within 28 days after the applicant provides additional information.

(9) If there is an insufficient amount of money in the CDFI fund to pay the grants approved, the amount of each grant shall be reduced proportionately by the Michigan strategic fund based upon the amount of money available in the CDFI fund. If the amount of money available to pay grants approved for a round of grant applications exceeds the amount needed to pay the grant awards, the Michigan strategic fund may increase each grant awarded in that round in an amount proportionate to the total of all grant awards for that round.

(10) Upon approval of an application, the Michigan strategic fund and the applicant shall sign a written grant agreement providing the terms of the grant agreement. A grant agreement must include all of the following:

(a) A requirement that at least 80% of the grant award be used for financial products and financial services or expenditures of money or commitments to expend money to reduce the interest rate otherwise applicable under a loan agreement or funding agreement.

(b) A restriction that no more than 10% of the grant award be used for technical assistance activities described in 12 CFR 1805.303.

(c) A restriction that no more than 10% of the grant award be used for administration and operations.

(d) A requirement that a grant award be committed under a loan agreement or funding agreement or disbursed by the recipient within 3 years after the date that the recipient receives the grant award.

(e) A requirement that the entire amount of the grant award be expended within this state.

(f) A requirement that the grant award recipient maintain its certification as a community development financial institution under 12 CFR 1805.201 while the grant agreement is in effect.

(g) A requirement that the grant award recipient comply with all requirements applicable under the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719, while the agreement is in effect.

(h) Provisions authorizing the Michigan strategic fund to enforce the terms of the grant agreement, including a requirement that a noncompliant recipient of a grant award may be required to repay the portion of the award not committed by the recipient pursuant to a permitted loan, program, or agreement. Money repaid under this subdivision must be deposited in the CDFI fund.

(i) A requirement for the grant award recipient to report on activities consistent with the requirements of subsection (14).

(j) If the grant agreement includes a grant of federal money, the grant agreement must require the recipient to comply with any requirements applicable to the use of the federal money.

(11) A grant agreement may provide for the community development financial institution that is the recipient of a grant award to serve as an intermediary lender to another community development financial institution consistent with the purposes of this section if not prohibited by federal law applicable to the expenditure of any federal grant money.

(12) If not prohibited by federal law applicable to the expenditure of any federal grant money, a grant agreement must permit a grant award recipient to assign the award to an affiliate and for the affiliate to assume the obligations of the grant award recipient if the affiliate satisfies all of the following:

(a) Is a community development financial institution.

(b) Is organized in the same manner as the grant award recipient.

(c) Is controlled by the grant award recipient in 1 or both of the following ways:

(*i*) The grant award recipient owns a majority of the stock of the affiliate.

(*ii*) A majority of the members of the board of the affiliate also are members of the board of the grant award recipient.

(13) Except as otherwise provided in subsection (14), the Michigan strategic fund shall require the recipient of a grant award under this chapter to report annually to the Michigan strategic fund regarding its activities under

this section beginning on the May 1 following the applicant fiscal year in which the grant award was received by the recipient. The Michigan strategic fund shall publish on its website a standard form for the report. Except as otherwise provided in subsection (14), the report must include all of the following information:

(a) A copy of the recipient's most recent confirmation of recertification as a community development financial institution issued by the community development financial institutions fund under 12 CFR 1805.201, which may include the list of community development financial institutions in good standing maintained and published by the federal fund.

(b) A list of financial products and services provided during the prior applicant fiscal year that includes all of the following:

(*i*) The name of each transaction.

(*ii*) A transition tracking number for each transaction.

(*iii*) The date of each transaction.

(*iv*) The amount of each transaction.

(*v*) The total project cost for each transaction if other funding was involved.

(*vi*) The physical address of the borrower or customer for each transaction.

(*vii*) The census tract of the borrower or customer for each transaction.

(*viii*) An indication of whether the census tract in which the transaction is located is an eligible investment area.

(*ix*) A description of the projected economic impact of the transaction.

(*x*) A description of any financial products or financial services provided.

(c) A description of technical assistance provided during the prior applicant fiscal year.

(d) A summary of expenditures for administration and operations provided during the prior applicant fiscal year that includes all of the following:

(*i*) A description of administration and operations costs incurred.

(*ii*) Professional fees and expenses incurred.

(*iii*) A summary of any other eligible expenses for administration and operation.

(14) A grant award recipient is not required to provide a report under this section for any applicant fiscal year in which it did not loan or otherwise commit or disburse grant award money. The Michigan strategic fund shall not include information in the report required under subsection (13) if information that otherwise would be included in a report under subsection (13) is either of the following:

(a) Exempt from disclosure or confidential as proprietary business or financial information under the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719.

(b) Exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(15) The Michigan strategic fund shall make all reasonable efforts to ensure that at least 10% of the funds appropriated under this section support businesses operated by underrepresented entrepreneurs or are allocated to community development financial institutions that primarily support underrepresented entrepreneurs.

(16) Except as otherwise provided in subsection (3), the Michigan strategic fund may expend up to 4% of the appropriation provided from the CDFI fund for the costs it incurs in administering the programs and activities in this section.

(17) Unexpended funds appropriated for community development financial institutions fund grants are designated as a work project appropriation. Unencumbered or unallotted funds must not lapse at the end of the fiscal year and must be available for grant awards or other expenditures 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 provide grants to eligible community development financial institutions under this section.

(b) All grants will be distributed in accordance with this section and the grant guidelines as part of the application process and grant agreements between the Michigan strategic fund and grant recipients.

(c) The total estimated cost of the project is $5,000,000.00.

(d) The tentative completion date for the work project is September 30, 2027.

(18) As used in this section:

(a) "CDFI fund" means the Michigan community development financial institutions fund created in subsection (1).

(b) "Community development financial institution" means that term as defined in section 103 of the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4702, but is limited to a community development financial institution that satisfies all of the following:

(*i*) Is an entity that meets the eligibility requirements described in 12 CFR 1805.200.

(*ii*) Is certified as a community development financial institution that meets the eligibility requirements under 12 CFR 1805.201, by the community development financial institutions fund established under section 104 of the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4703.

(*iii*) Maintains 1 or more physical offices within this state.

(*iv*) Employs 2 or more individuals at a physical office within this state, including employees of an affiliate of the community development financial institution that provides services to the community development financial institution.

(*v*) Is a Michigan CDFI or a multistate CDFI.

(c) "Depository institution" means any of the following:

(*i*) A bank as that term is defined in section 3(a) of the federal deposit insurance act, 12 USC 1813.

(*ii*) A savings association as that term is defined in section 3(b) of the federal deposit insurance act, 12 USC 1813.

(*iii*) A credit union as that term is defined in section 102 of the credit union act, 2003 PA 215, MCL 490.102.

(*iv*) A depository institution holding company as that term is defined in 12 CFR 1805.104.

(d) "Eligible activities" means activities described in 12 CFR 1805.301, and includes credit enhancements, loan loss reserves, equity investments, expenditures of money or commitments to expend money to reduce the interest rate otherwise applicable under a loan agreement or funding agreement, and grants related to these activities.

(e) "Federal fund" means the federal community development financial institutions fund within the United States Department of Treasury.

(f) "Financial products" means that term as defined in 12 CFR 1805.104.

(g) "Financial services" means that term as defined in 12 CFR 1805.104.

(h) "Michigan CDFI" means a community development financial institution that satisfies all of the following:

(*i*) Is certified as a community development financial institution that meets the eligibility requirements under 12 CFR 1805.201, by the community development financial institutions fund established under section 104 of the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4703.

(*ii*) Is headquartered at an address in this state, as recognized by the federal fund.

(*iii*) Has a target market that includes this state, as recognized by the federal fund.

(*iv*) Serves 1 or more targeted populations located within this state.

(i) "Multistate CDFI" means a community development financial institution that is not a Michigan CDFI but is a community development financial institution that committed under a loan agreement or other funding agreement at least $10,000,000.00 in financial products and financial services to a target market within this state under the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719, during the 5 applicant fiscal years preceding the applicant in the current fiscal year in which an application for a grant is submitted.

(j) "Qualifying commitment" means funding committed by a community development financial institution under a loan agreement or other funding agreement in target markets or targeted populations in this state that is either of the following:

(*i*) Financial products or financial services committed under the Riegle community development and regulatory improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719.

(*ii*) An additional credit enhancement, loan loss reserve, or equity investment committed by the community development financial institution or an affiliate of the community development financial institution.

(k) "Target market" means that term as defined in 12 CFR 1805.104.

(*l*) "Targeted population" means that term as defined in 12 CFR 1805.104.

Sec. 1003. The funds appropriated in part 1 for Detroit right to counsel must be awarded to the city of Detroit in Wayne County to implement a right to counsel program for city tenants in eviction proceedings.

Sec. 1004. The funds appropriated in part 1 for emerging community grants must be allocated to provide grants to nonprofit organizations and community organizations that are dedicated to supporting emerging populations within this state. Grants may be used to support facility acquisitions, facility upgrades, economic development activities that support the organization's community, and programming to support the organization's community.

Sec. 1005. Funds appropriated in part 1 for empowerment plan must be awarded to Empowerment Plan, which is a nonprofit entity qualified under section 501(c)(3) of the internal revenue code, 26 USC 501, located in the city of Detroit in Wayne County.

Sec. 1006. Funds appropriated in part 1 for Focus: HOPE must be awarded to Focus: HOPE for education and workforce development programming, early childhood education, youth development, food assistance, or community empowerment and advocacy.

Sec. 1007. (1) From the funds appropriated in part 1 for food pantry support, $300,000.00 must be awarded to the Brightmoor Connection Food Pantry located in the city of Detroit in Wayne County to support the supply and operations of the food pantry.

(2) From the funds appropriated in part 1 for food pantry support, $500,000.00 must be awarded to Gleaners Community Food Bank located in the city of Detroit in Wayne County to support fresh food security network infrastructure.

Sec. 1008. Funds appropriated in part 1 for Habitat for Humanity must be awarded to the Michigan-based Habitat for Humanity to support statewide construction of affordable housing.

Sec. 1009. (1) Funds appropriated in part 1 for helmets to hardhats must be awarded to a national nonprofit program that connects national guard, reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. Grant funding must be used to recruit and assist veterans to transition into apprenticeship programs in this state, which may include wraparound services.

(2) The awardee under subsection (1) shall ensure that there is an online application process to the program.

Sec. 1010. Funds appropriated in part 1 for home repair grants must be allocated to provide grants for home repairs and weatherization to homes with a household income not greater than 250% of the federal poverty level guidelines. Priority must be given to communities with the greatest housing and density stock.

Sec. 1011. (1) From the funds appropriated in part 1 for legislatively directed spending items, $3,300,000.00 must be awarded to Sheridan Township in Calhoun County to support repairs to bridge structures 1383 and 1384 on 24 Mile Road.

(2) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the city of Vassar in Tuscola County to support the construction of a new public safety building.

(3) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to the city of Utica Police Department in Macomb County to support the purchase of police equipment.

(4) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the city of Rochester Hills in Oakland County for roadway infrastructure and a community gathering space at a community park.

(5) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Shelby Township in Oceana County for construction of a community pool.

(6) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Harbor Beach in Emmet County to support expansion of the North Park Campground.

(7) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to the Jackson County parks department to support improvements at The Cascades.

(8) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 shall be awarded to the city of Marysville in St. Clair County to support a project to replace a failing seawall at the water filtration plant.

(9) From the funds appropriated in part 1 for legislatively directed spending items, $125,000.00 must be awarded to the city of Springfield in Calhoun County to support the construction of a carport for law enforcement vehicles.

(10) From the funds appropriated in part 1 for legislatively directed spending items, $175,000.00 must be awarded to Common Ground, headquartered in the village of Bingham Farms, for response activities provided by the victim assistance program.

(11) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 must be awarded to the Hindu Community Relations Council of Michigan to support a statewide public safety and leadership education initiative for Hindu and Jain houses of worship.

(12) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to the Isabella County board of commissioners to support a feasibility study for construction of a northbound entrance ramp located near the intersection of US-127 business route and South Mission Road.

(13) From the funds appropriated in part 1 for legislatively directed spending items, $800,000.00 must be awarded to Macomb County public works to support a 3-year field trial to test scalable management techniques for *Microseira wollei* benthic cyanobacteria muck.

(14) From the funds appropriated in part 1 for legislatively directed spending items, $60,000.00 must be awarded to the department of transportation for safety enhancements, including, but not limited to, cabling and guardrail on M-53 in Washington Township in Macomb County.

(15) From the funds appropriated in part 1 for legislatively directed spending items, $1,231,000.00 must be awarded to Southwest Shiawassee Emergency Services Alliance in Shiawassee County to support the purchase of 2 ambulances and associated equipment.

(16) From the funds appropriated in part 1 for legislatively directed spending items, $32,000.00 must be awarded to the city of Albion in Calhoun County to support the cost of purchasing body-worn cameras for law enforcement officers and associated data management costs.

(17) From the funds appropriated in part 1 for legislatively directed spending items, $600,000.00 must be awarded to Park Township in Ottawa County to support the purchase and remodeling of the former United States Coast Guard station in Park Township, so that it can be used by the Park Township Fire Department.

(18) From the funds appropriated in part 1 for legislatively directed spending items, $609,000.00 must be awarded to the city of Bronson in Branch County for replacement of an ultraviolet disinfection system at the wastewater treatment facility.

(19) From the funds appropriated in part 1 for legislatively directed spending items, $31,700.00 must be awarded to the Bronson Health Foundation to support sexual assault education programming.

(20) From the funds appropriated in part 1 for legislatively directed spending items, $9,800,000.00 must be awarded to the Four Lakes Task Force for dam restoration activities.

(21) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the city of Portage in Kalamazoo County to support a project to control stormwater runoff from US-131.

(22) From the funds appropriated in part 1 for legislatively directed spending items, $200,000.00 must be awarded to the city of Cadillac in Wexford County to address culvert failures adjacent to Mitchell Street.

Sec. 1012. Funds appropriated in part 1 for Michigan black business alliance must be awarded to a nonprofit business alliance located in the city of Detroit in Wayne County to operate entrepreneur capital connection and technical assistance programs.

Sec. 1013. Funds appropriated in part 1 for Michigan women forward must be allocated to an organization that supports entrepreneurship and mentorship programs focused on women that is located in the city of Detroit in Wayne County. The funds must be used to support programming and expansion of the organization.

Sec. 1014. Funds appropriated in part 1 for North Rosedale Park must be allocated to a nonprofit park civic association located in the city of Detroit in Wayne County to support improvements to the community house space that includes elevator installation, playground improvements, fire suppression, outdoor sports facilities, and multiuse programming space.

Sec. 1015. Funds appropriated in part 1 for Redford water infrastructure must be awarded to Redford Township to construct a combined sewer overflow basin.

Sec. 1016. Funds appropriated in part 1 for Reignite must be awarded to a nonprofit organization that helps women consider careers in and connect with technology industries, to support programs aimed at connecting women in K-12 through postuniversity with careers in technology.

Sec. 1017. Funds appropriated in part 1 for SER metro must be awarded to a youth engagement and adult reengagement nonprofit center located in the city of Detroit in Wayne County for expansion of the center.

Sec. 1018. Funds appropriated in part 1 for sheet metal training center must be awarded to sheet metal apprenticeship training centers for infrastructure upgrades, technology enhancements, and to modernize or expand classroom and lab facilities.

Sec. 1019. Funds appropriated in part 1 for Starfish family services must be awarded to an early childhood education service provider with locations in the city of Detroit in Wayne County to provide high-quality services and to support facility infrastructure improvements.

Sec. 1020. Funds appropriated in part 1 for Wayne metro must be awarded to a nonprofit organization headquartered in the city of Detroit in Wayne County that operates community centers throughout Wayne County for structural improvements to a nonprofit community center.

Sec. 1021. Funds appropriated in part 1 for workforce and employer expansion must be used by the department to address current and future workforce needs. These funds may be used for any of the following:

(a) Developing customized solutions to fill identified talent gaps in key industries.

(b) To support statewide preapprenticeship and registered apprenticeship expansions in occupations critical to the economy of this state, assisting citizens of this state with obtaining industry credentials recognized by the United States Department of Labor.

(c) Expanding existing or creating new employer-led collaboratives and other innovative sector strategies in key industries that support the creation of jobs.

ARTICLE 10

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	20.0		
Full-time equated classified positions	1,793.0		
GROSS APPROPRIATION		**$**	**626,006,900**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			30,192,600
ADJUSTED GROSS APPROPRIATION		**$**	**595,814,300**
Federal revenues:			
Total federal revenues			30,369,700
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			285,958,900
State general fund/general purpose		**$**	**279,485,700**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	20.0		
Full-time equated classified positions	103.0		
Unclassified salaries—FTEs	20.0	$	3,083,500
Administrative services—FTEs	69.0		8,070,700
Executive director programs—FTEs	23.0		3,454,400
Property management			6,924,200
Worker's compensation			72,000
Regulatory effectiveness office—FTEs	11.0		1,700,200
GROSS APPROPRIATION		**$**	**23,305,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDIFS, accounting services			150,000
Federal revenues:			
EPA, underground storage tanks			30,700
HHS-Medicaid, certification of health care providers and suppliers			380,000
HHS-Medicare, certification of health care providers and suppliers			629,800
Special revenue funds:			
Aboveground storage tank fees			94,300
Accountancy enforcement fund			55,500
Boiler inspection fund			293,100
Builder enforcement fund			105,100
Construction code fund			837,800
Corporation fees			4,518,200

			For Fiscal Year Ending Sept. 30, 2026
Elevator fees		$	315,400
Fire alarm fees			7,600
Fire safety standard and enforcement fund			2,300
Fire service fees			354,000
Fireworks safety fund			59,700
Health professions regulatory fund			1,890,100
Health systems fees			216,900
Licensing and regulation fund			857,100
Liquor license revenue			292,400
Liquor purchase revolving fund			3,163,200
Marihuana registry fund			201,400
Marihuana regulation fund			1,520,300
Marihuana regulatory fund			655,200
Michigan unarmed combat fund			5,800
Mobile home code fund			262,200
Nurse professional fund			41,200
PMECSEMA fund			49,000
Property development fees			7,800
Public utility assessments			3,352,500
Real estate appraiser education fund			2,800
Real estate education fund			11,800
Real estate enforcement fund			12,100
Refined petroleum fund			153,100
Securities fees			1,509,600
Securities investor education and training fund			9,800
Security business fund			7,100
Survey and remonumentation fund			98,200
Tax tribunal fund			825,300
Utility consumer representation fund			54,700
State general fund/general purpose		**$**	**271,900**
Sec. 103. PUBLIC SERVICE COMMISSION			
Full-time equated classified positions	222.0		
Public service commission—FTEs	222.0	$	41,910,800
GROSS APPROPRIATION		**$**	**41,910,800**
Appropriated from:			
Federal revenues:			
DOT, gas pipeline safety			2,671,500
Special revenue funds:			
Public utility assessments			39,239,300
State general fund/general purpose		**$**	**0**
Sec. 104. LIQUOR CONTROL COMMISSION			
Full-time equated classified positions	148.0		
Liquor licensing and enforcement—FTEs	117.0	$	18,176,300
Management support services—FTEs	31.0		4,984,900
GROSS APPROPRIATION		**$**	**23,161,200**
Appropriated from:			
Special revenue funds:			
Direct shipper enforcement revolving fund			317,900
Liquor control enforcement and license investigation revolving fund			175,000
Liquor license fee enhancement fund			76,400
Liquor license revenue			8,514,300
Liquor purchase revolving fund			14,077,600
State general fund/general purpose		**$**	**0**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 105. OCCUPATIONAL REGULATION			
Full-time equated classified positions	925.0		
Bureau of community and health systems—FTEs	162.0	$	27,403,400
Bureau of construction codes—FTEs	197.0		33,135,700
Bureau of fire services—FTEs	86.0		14,451,900
Bureau of professional licensing—FTEs	198.0		42,847,800
Bureau of survey and certification—FTEs	173.0		29,849,500
Corporations, securities, and commercial licensing bureau—FTEs	109.0		16,975,900
GROSS APPROPRIATION		**$**	**164,664,200**
Appropriated from:			
Interdepartmental grant revenues:			
Federal revenues:			
DHS, fire training systems			528,000
DOT, hazardous materials training and planning			20,000
EPA, underground storage tanks			820,600
HHS-Medicaid, certification of health care providers and suppliers			9,201,600
HHS-Medicare, certification of health care providers and suppliers			14,808,100
Special revenue funds:			
Aboveground storage tank fees			343,700
Accountancy enforcement fund			1,216,000
Adult foster care facilities licenses fund			373,600
Boiler inspection fund			3,046,500
Builder enforcement fund			644,000
Construction code fund			13,763,000
Corporation fees			9,619,200
Division on deafness fund			73,400
Elevator fees			8,513,100
Fire alarm fees			138,400
Fire safety standard and enforcement fund			32,300
Fire service fees			3,160,900
Fireworks safety fund			1,259,100
Health professions regulatory fund			27,748,200
Health systems fees			4,204,300
Licensing and regulation fund			11,819,800
Liquor purchase revolving fund			159,500
Marihuana regulatory fund			500,000
Mobile home code fund			2,141,400
Nurse aide registration fund			1,692,400
Nurse professional fund			1,968,000
PMECSEMA fund			2,585,000
Property development fees			192,600
Real estate appraiser education fund			6,200
Real estate education fund			604,000
Real estate enforcement fund			759,700
Refined petroleum fund			2,667,900
Securities fees			5,405,200
Securities investor education and training fund			503,900
Security business fund			182,700
Survey and remonumentation fund			910,600
State general fund/general purpose		**$**	**33,051,300**
Sec. 106. CANNABIS REGULATORY AGENCY			
Full-time equated classified positions	182.0		
Cannabis regulatory agency—FTEs	182.0	$	33,691,300
GROSS APPROPRIATION		**$**	**33,691,300**

			For Fiscal Year Ending Sept. 30, 2026
Appropriated from:			
Special revenue funds:			
Industrial hemp licensing and registration fund		$	296,200
Marihuana registry fund			2,251,800
Marihuana regulation fund			22,990,400
Marihuana regulatory fund			8,152,900
State general fund/general purpose		**$**	**0**
Sec. 107. MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES			
Full-time equated classified positions	172.0		
Michigan office of administrative hearings and rules—FTEs	172.0	$	37,034,900
GROSS APPROPRIATION		**$**	**37,034,900**
Appropriated from:			
Interdepartmental grant revenues:			
IDG revenues, administrative hearings and rules			28,594,000
Special revenue funds:			
Construction code fund			27,400
Corporation fees			998,900
Health professions regulatory fund			881,800
Health systems fees			165,500
Licensing and regulation fund			914,300
Liquor purchase revolving fund			493,200
Marihuana regulation fund			253,500
Marihuana regulatory fund			98,900
Public utility assessments			2,970,600
Securities fees			1,048,600
State general fund/general purpose		**$**	**588,200**
Sec. 108. COMMISSIONS			
Full-time equated classified positions	41.0		
Michigan indigent defense commission—FTEs	21.0	$	3,378,800
Michigan unarmed combat commission			126,200
Michigan Tax Tribunal—FTEs	20.0		4,213,900
GROSS APPROPRIATION		**$**	**7,718,900**
Appropriated from:			
Special revenue funds:			
Michigan unarmed combat fund			126,200
Tax tribunal fund			822,100
Corporations fees			3,391,800
State general fund/general purpose		**$**	**3,378,800**
Sec. 109. DEPARTMENT GRANTS			
Firefighter training grants		$	2,300,000
Liquor law enforcement grants			9,900,000
Marihuana operation and oversight grants			3,000,000
Michigan indigent defense commission grants			236,016,800
Remonumentation grants			6,800,000
Utility consumer representation			2,100,000
GROSS APPROPRIATION		**$**	**260,116,800**
Appropriated from:			
Special revenue funds:			
Fireworks safety fund			2,300,000
Liquor license revenue			9,900,000
Local indigent defense reimbursement			300,000
Marihuana regulation fund			3,000,000
Survey and remonumentation fund			6,800,000
Utility consumer representation fund			2,100,000
State general fund/general purpose		**$**	**235,716,800**

		For Fiscal Year Ending Sept. 30, 2026
Sec. 110. INFORMATION TECHNOLOGY		
Information technology services and projects	$	27,803,800
GROSS APPROPRIATION	**$**	**27,803,800**
Appropriated from:		
IDG revenues, administrative hearings and rules		1,448,600
Federal revenues:		
DOT, gas pipeline safety		152,600
EPA, underground storage tanks		99,900
HHS-Medicaid, certification of health care providers and suppliers		385,100
HHS-Medicare, certification of health care providers and suppliers		641,800
Special revenue funds:		
Aboveground storage tank fees		34,500
Accountancy enforcement fund		1,600
Boiler inspection fund		387,500
Construction code fund		1,331,900
Corporation fees		5,800,700
Elevator fees		505,400
Fire safety standard and enforcement fund		3,500
Fire service fees		542,700
Fireworks safety fund		74,800
Health professions regulatory fund		3,270,400
Health systems fees		366,200
Industrial hemp licensing and registration fund		4,000
Licensing and regulation fund		941,700
Licensing license revenue		235,400
Liquor purchase revolving fund		4,796,800
Marihuana registry fund		193,600
Marihuana regulation fund		1,231,500
Marihuana regulatory fund		553,000
Michigan unarmed combat fund		6,800
Mobile home code fund		205,000
Nurse aide registration fund		7,000
PMECSEMA fund		68,500
Public utility assessments		2,038,000
Real estate appraiser education fund		1,000
Real estate education fund		4,800
Refined petroleum fund		235,200
Securities fees		465,600
Securities investor education and training fund		6,100
Survey and remonumentation fund		75,400
Tax tribunal fund		208,500
State general fund/general purpose	**$**	**1,478,700**
Sec. 111. ONE-TIME APPROPRIATIONS		
Bureau of fire services - smoke detectors	$	1,000,000
Cannabis regulatory agency social equity program		1,000,000
Michigan saves		3,000,000
Urban search and rescue		1,000,000
Real Estate Continuing Education		400,000
Accounting Continuing Education		200,000
GROSS APPROPRIATION	**$**	**6,600,000**
Appropriated from:		
Special revenue funds:		
Marihuana regulation fund		1,000,000
Real estate education fund		400,000
Accountancy enforcement fund		200,000
State general fund/general purpose	**$**	**5,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending from state sources under part 1 is $565,444,600.00 and state spending from state sources to be paid to local units of government is $258,016,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS		
Firefighter training grants	$	2,300,000
Liquor law enforcement grants		9,900,000
Marihuana operation and oversight grants		3,000,000
Michigan indigent defense commission grants		236,016,800
Remonumentation grants		6,800,000
TOTAL	**$**	**258,016,800**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of licensing and regulatory affairs.

(b) "DHS" means the United States Department of Homeland Security.

(c) "Director" means the director of the department.

(d) "DOT" means the United States Department of Transportation.

(e) "EPA" means the United States Environmental Protection Agency.

(f) "FOIA" means the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(g) "FTE" means full-time equated.

(h) "HHS" means the United States Department of Health and Human Services.

(i) "IDG" means interdepartmental grant.

(j) "MDIFS" means the Michigan department of insurance and financial services.

(k) "PMECSEMA" means pain management education and controlled substances electronic monitoring and antidiversion.

(*l*) "Standard report recipients" means the senate and house of representatives subcommittees on the department, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(m) "Subcommittees" means the senate and house appropriations subcommittees with jurisdiction over the budget for the department.

Sec. 204. A department or agency shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department or agency shall submit the report to the standard report recipients and to the house of representatives and senate appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 208. Not later than December 15, the state budget office shall prepare and submit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and the chairpersons of the senate and house of representatives appropriations committees.

Sec. 209. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this part under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $25,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this part under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 210. (1) A department or agency shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal-year-to-date expenditures by category.

(b) Fiscal-year-to-date expenditures by appropriation unit.

(c) Fiscal-year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 211. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 212. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations under part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department or agency contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 213. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and the senate and house appropriations committees.

Sec. 214. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 215. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 216. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal or state guidelines.

Sec. 217. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 218. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services, in partnership with the Social Security Administration.

Sec. 219. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 220. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 221. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 222. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $27,633,000.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $24,923,300.00. Total appropriations for retiree health care legacy costs for the department are estimated at $2,709,700.00.

Sec. 223. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 224. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 225. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 226. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 227. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 250. The department shall submit a report to the standard report recipients by September 30 detailing any expenditure of funds for a television or radio production that was made to a third-party vendor in the fiscal year ending September 30, 2026. The report must include the following information for each expenditure:

(a) Total amount of the expenditure.

(b) Fund source for the expenditure.

(c) Name of any vendor that created the production and the amount paid to each vendor.

(d) Purpose of the production.

Sec. 251. From the funds appropriated in part 1, the department shall post on a publicly accessible website a report describing materials that department employees and contractors are required to review or complete as part of their mandatory training, including mandatory examinations, surveys, audio or visual recordings, and reading materials.

Sec. 252. (1) The department may charge registration fees to attendees of informational, training, or special events that are sponsored by the department and related to activities under the department's purview.

(2) The registration fees must reflect the costs for the department to sponsor the informational, training, or special events.

(3) Revenue generated by the registration fees is appropriated on receipt and may be expended by the department to cover the department's costs of sponsoring informational, training, or special events.

(4) Revenue generated by registration fees in excess of the department's costs of sponsoring informational, training, or special events carries forward to the subsequent fiscal year and does not lapse to the general fund.

(5) The amount appropriated under subsection (3) must not exceed $1,000,000.00.

Sec. 253. The department may provide to interested entities otherwise unavailable customized listings of nonconfidential information, such as the names and addresses of licensees, in the department's possession. The department may establish and collect a reasonable fee to provide this service. Revenue generated from this service is appropriated on receipt and must be used to offset the expenses of the service. Any balance of this revenue collected and unexpended at the end of the fiscal year lapses to the appropriate restricted fund.

Sec. 254. (1) 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 reverts to the department. In addition to the funds appropriated in part 1, funds received by the department under this subsection may be expended by the department upon receipt by the department of treasury. This subsection applies for only the following:

(a) Corporation and securities division documents, reports, and papers required or permitted by law in accordance with section 1060(6) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(c) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2350; 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 (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

(d) Construction code manuals.

(e) Copies of transcripts from administrative law hearings.

(2) In addition to the funds appropriated in part 1, funds appropriated for the department under sections 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 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.

(3) Unexpended funds at the end of the fiscal year carry forward to the subsequent fiscal year and do not lapse to the general fund.

Sec. 255. (1) Grants supported with private revenues received by the department are appropriated on receipt and may be expended by the department for the purposes specified within the grant agreement and as permitted under state and federal law.

(2) Not later than 10 days after the receipt of a private grant appropriated in subsection (1), the department shall notify the chairpersons of the subcommittees, the senate and house fiscal agencies, and the state budget office of the receipt of the grant, including the fund source, purpose, and amount of the grant.

(3) The amount appropriated under subsection (1) must not exceed $4,000,000.00.

Sec. 256. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits. Not later than February 1, the department shall report on fees collected from credit card payments for licenses, fees, and permits in the previous year.

Sec. 257. 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 for the federal pass-through funds. Not later than 14 days after the receipt of federal pass-through funds, the department shall notify the chairpersons of the subcommittees, the senate and house fiscal agencies, and the state budget office of pass-through funds appropriated under this section.

Sec. 258. (1) Not later than December 31, the department shall submit a report that pertains to licensing and regulatory programs overseen by the following agencies:

(a) Liquor control commission.

(b) Bureau of fire services.

(c) Corporations, securities, and commercial licensing bureau.

(d) Bureau of professional licensing.

(2) The report under subsection (1) must be in a format that is consistent between the agencies listed in subsection (1) and must provide, but is not limited to, the following information for the previous fiscal year, as applicable, for each agency:

(a) Revenue generated by and expenditures disbursed for each regulatory product.

(b) Revenue generated, by regulatory product or regulated activity.

(c) The renewal cycle and amount of each fee charged.

(d) Number of initial applications.

(e) Number of initial applications denied.

(f) Number of license renewals.

(g) Average amount of time to approve or deny completed applications.

(h) Number of examinations proctored for initial applications.

(i) A description of the types of complaints received.

(j) A description of the process used to resolve complaints.

(k) Number of complaints received.

(*l*) Number of complaints investigated.

(m) Number of complaints closed with no action.

(n) Number of complaints resulting in administrative actions or citations.

(o) Average amount of time to complete investigations.

(p) Number of enforcement actions, including license revocations, suspensions, and fines.

(q) A description of the types of enforcement actions taken against licensees.

(r) Number of administrative hearing adjudications.

(3) An agency listed in subsection (1)(a) or (b) shall report by regulated activity and an agency listed in subsection (1)(c) or (d) shall report by regulatory product or regulated activity, or both.

(4) As used in this section:

(a) "Regulated activity" means the particular activities, entities, facilities, and industries regulated by the agencies specified in subsection (1).

(b) "Regulatory product" means each occupation, profession, trade, or program, which includes licensure, certification, registration, inspection, review, permitting, approval, or any other regulatory service provided by the agencies specified in subsection (1) for each regulated activity.

Sec. 259. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 280. (1) The attorney general support fund is created within the department of treasury.

(2) Any unexpended funds in the attorney general support fund created in this section shall be carried forward and are available for expenditure under this section.

(3) Funds may be spent from the attorney general support fund only on appropriation, or legislative transfer pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) The state treasurer may receive money or other assets from any source for deposit into the attorney general support fund. The state treasurer shall direct the investment of the attorney general support fund. The state treasurer shall credit to the attorney general support fund interest and earnings from the attorney general support fund.

(5) Funds in the attorney general support fund at the close of the fiscal year remain in the attorney general support fund and do not lapse to the general fund.

(6) The department is the administrator of the fund for auditing purposes.

(7) From fees authorized under section 1060 of the business corporation act, 1972 PA 284, MCL 450.2060, $8,000,000.00 is appropriated to the attorney general support fund.

(8) From the attorney general support fund created in subsection (1), $8,000,000.00 is appropriated.

PUBLIC SERVICE COMMISSION

Sec. 301. (1) The public service commission administers the low-income energy assistance grant program on behalf of the Michigan department of health and human services via an interagency agreement. Funds supporting the grant program are appropriated to the department upon the awarding of grants and may be expended for grant payments and administrative-related expenses incurred in the operation of the grant program.

(2) No later than March 30, the public service commission shall submit a report to the standard report recipients based on the grants administered, including:

(a) Median annual household income for recipients of the grant.

(b) Number of grants administered in each county of this state.

Sec. 302. (1) From the funds appropriated in part 1, the Michigan public service commission shall conduct at least 4 public hearings in this state. Subject to the requirements of this section, if there is a city in this state with a population between 195,000 and 700,000 according to the most recent federal decennial census, a public hearing required under this section must be conducted in that city.

(2) Not later than September 30, the Michigan public service commission shall submit a report to the standard report recipients that details the outcomes of the public hearings required under this section and summarizes the public comments that were received during the public hearings.

Sec. 303. (1) From the funds appropriated in part 1 for the Michigan public service commission, the department shall designate 1 FTE to assist consumers with utility issues, utility disruption, or outages.

(2) On a monthly basis, the commission shall make the following available on its website:

(a) The average electric rates for commission-regulated electric utilities.

(b) A comparison of monthly residential electric bills for commission-regulated electric utilities.

(c) The power supply cost recovery factors for all commission-regulated electric utilities.

(d) The natural gas rates for commission-regulated natural gas utilities.

(e) The gas cost recovery factors for commission-regulated natural gas utilities.

(f) Monthly reliability data for commission-rate-regulated electric utilities.

(g) The number of utility consumers assisted by the commission for utility disruption, outages, and other utility issues.

(h) The number of formal complaints received in the month.

LIQUOR CONTROL COMMISSION

Sec. 401. (1) From the funds appropriated in part 1 from the direct shipper enforcement revolving fund, the liquor control commission shall expend the funds as required under section 203(11) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1203, to investigate and audit unlawful direct shipments of wine by unlicensed wineries and retailers, with priority directed toward unlicensed out-of-state retailers and third-party marketers. In addition to other investigative methods, the commission shall use shipping records available to the commission under section 203(21) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1203, to assist with the effort to investigate and audit unlawful direct shipments of wine by unlicensed wineries and retailers. The liquor control commission shall refer all identified unlicensed out-of-state retailers and third-party marketers to the attorney general.

(2) Not later than February 1, the liquor control commission shall provide a report to the legislature and the standard report recipients that details the commission's activities to investigate and audit the illegal shipping of wine and the results of the activities. The report must include all of the following:

(a) Work hours spent, specific actions performed, and the number of full-time equated positions dedicated to identifying and stopping unlicensed out-of-state retailers, third-party marketers, and wineries that ship illegally in Michigan.

(b) General overview of expenditures associated with efforts to identify and stop unlicensed out-of-state retailers, third-party marketers, and wineries that ship illegally in this state.

(c) Number of out-of-state entities found to have illegally shipped wine into this state and total number of 750 ml bottles, number of cases with 750 ml bottles, number of liters, number of gallons, or weight of illegally shipped wine. These items must be itemized by total number of retailers and total number of wineries.

(d) Suggested areas of focus on how to address direct shipper enforcement and illegal importation in the future.

(e) Number of unlicensed out-of-state entities found to have illegally shipped wine into this state that were identified with the shipping records described in subsection (1).

(f) Number of notices sent under subsection (3).

(3) From the funds appropriated in part 1 from the direct shipper enforcement revolving fund, the liquor control commission shall send a notice to each unlicensed out-of-state entity found to have illegally shipped wine into this state. The notice must include all of the following statements:

(a) That shipping wine into this state by unlicensed out-of-state retailers and third-party marketers is illegal, and wineries shipping into this state must obtain a direct shipper license.

(b) That under section 909 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1909, making unlawful shipments of wine into this state may be a felony punishable by imprisonment for not more than 4 years or a fine of not more than $5,000.00, or both.

(c) That the matter has been referred to the attorney general.

OCCUPATIONAL REGULATION

Sec. 501. The department shall not expend the funds appropriated under this part and part 1 for the bureau of fire services unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees are charged according to the following fee schedule:

Operation and maintenance inspection fee

Facility type	Facility size	Fee
Hospitals	Any	$8.00 per bed
Facility type	Facility size	Fee
Nursing Homes	Any	$5.00 per bed
Facility type	Facility size	Fee
Homes for the Aged	Any	$5.00 per bed
Facility type	Facility size	Fee
Adult Foster Care	Greater than 6 residents	$5.00 per bed

Plan review and construction inspection fees for hospitals and schools

Project cost range	Fee
$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. 502. The funds collected by the department for licenses, permits, and other elevator regulation fees under 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 carry forward to the subsequent fiscal year.

Sec. 503. Not later than February 15, the department shall submit a report to the standard report recipients that provides all of the following information:

(a) The number of veterans who were separated from service in the Armed Forces of the United States with an honorable character of service or under honorable conditions (general) character of service, individually or if the veteran holds a majority interest of a corporation or limited liability company, that were exempted from paying licensure, registration, filing, or any other fees collected under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau during the previous fiscal year.

(b) The specific fees and total amount of revenue exempted under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau during the previous fiscal year.

(c) The actual costs of providing licensing and other regulatory services to veterans exempted from paying licensure, registration, filing, or any other fees during the previous fiscal year and a description of how the actual costs were calculated.

(d) The estimated amount of revenue that will be exempted under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau in both the current and subsequent fiscal years and a description of how the exempted revenue was estimated.

Sec. 504. Revenue collected by the department for the bureau of community and health systems from fees and collections that exceeds the amount appropriated in part 1, the revenue must be carried forward into the subsequent fiscal year. The revenue carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

Sec. 505. (1) To defray the costs associated with responding to false final inspection appointments and to discourage the practice of calling for final inspections when a project is incomplete or noncompliant with a plan of correction previously provided by the bureau of fire services, the bureau of fire services may assess a fee of not more than $500.00 for responding to a second or subsequent confirmed false inspection appointment. Fees collected under this section must be deposited into the restricted account described in section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, and explicitly identified within the statewide integrated governmental management applications system.

(2) Not later than September 30, the department shall submit a report to the standard report recipients that provides all of the following:

(a) The amount of the fee assessed under subsection (1).

(b) The number of fees assessed and issued per region.

(c) The cost allocation for the work performed and reduced as a result of this section.

(d) Any recommendations for consideration by the legislature.

Sec. 506. Not later than November 30, the department shall submit a report to the standard report recipients on the Michigan automated prescription system. The report must include, but is not limited to, all of the following:

(a) The total number of licensed health professionals registered to the Michigan automated prescription system.

(b) The total number of dispensers registered to the Michigan automated prescription system.

(c) The total number of prescribers using the Michigan automated prescription system.

(d) The total number of dispensers using the Michigan automated prescription system.

(e) The total number of cases related to overprescribing, overdispensing, and drug diversion where the department took administrative action because of information and data generated from the Michigan automated prescription system.

(f) The total number of hospitals, doctor's offices, pharmacies, and other health facilities that have integrated the Michigan automated prescription system into the facility's electronic health records systems.

(g) The total number of delegate users registered to the Michigan automated prescription system.

(h) The department's recommendations for electronic health integration and optimizing data interpretation for the purpose of advancing utilization practices.

Sec. 507. (1) From the funds appropriated in part 1 for bureau of construction codes, not less than $900,000.00 must be allocated for additional inspections and enforcement activities related to the carnival-amusement safety act of 1966, 1966 PA 225, MCL 408.651 to 408.670, and the ski area safety act of 1962, 1962 PA 199, MCL 408.321 to 408.344.

(2) Not later than March 30, the department shall submit a report to the standard report recipients that details the allocation of funds under this section. The report must include an itemized listing of how the funds were used.

Sec. 508. (1) Funds remaining in the homeowner construction lien recovery fund are appropriated to the department for payment of court-ordered homeowner construction lien recovery fund judgments entered before August 23, 2010. Subject to available funds, the payment of final judgments must be made in the order in which the final judgments were entered and began accruing interest.

(2) No later than September 30, the department shall transmit a report to the standard report recipients that details the revenue sources for the fund.

Sec. 509. From the funds appropriated in part 1 for the bureau of fire services, in accordance with the requirements under section 21c of the fire prevention code, 1941 PA 207, MCL 29.21c, the bureau shall perform or work in cooperation with local units of government to perform inspections at places of public assembly that pose the highest risk to occupants for injury or fatality based on the size, density, or the nature of activities performed within the facility.

Sec. 510. From the funds appropriated in part 1 for bureau of survey and certification, the department shall submit a report pertaining to bureau activities, including surveys and investigations of nursing homes, hospitals, and acute continuing care providers to the standard report recipients not later than March 30.

CANNABIS REGULATORY AGENCY

Sec. 601. Not later than January 31, the department shall submit a comprehensive report to the standard report recipients for all marihuana programs administered by the cannabis regulatory agency. This report must include, but is not limited to, all of the following information for the previous fiscal year regarding the marihuana

programs under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967:

(a) The number of initial applications received, by license category.

(b) The number of initial applications approved and the number of initial applications denied, by license category.

(c) The average amount of time, from receipt to approval or denial, to process an initial application, by license category.

(d) The number of renewal applications approved, by license category and by county.

(e) The number of renewal applications received, by license category and by county, if applicable.

(f) The number of renewal applications denied, by license category and by county.

(g) The average amount of time, from receipt to approval or denial, to process a renewal application, by license category, if applicable.

(h) The percentage of initial applications not approved or denied within the time requirements established in the respective act, by license category, if applicable.

(i) The percentage of renewal applications not approved or denied within the time requirements established in the respective act, by license category, if applicable.

(j) The total amount collected from application fees or established regulatory assessment and the specific fund the amount is deposited into, by license category.

(k) The registered names and addresses of all facilities licensed under each act, by license category and by county.

(*l*) The number of complaints received pertaining to each act, by license type or regulatory activity.

(m) A description of the types of complaints received.

(n) A description of the process used to resolve complaints.

(o) The number of investigations opened pertaining to each license category.

(p) The number of investigations closed pertaining to each license category.

(q) The average amount of time to complete investigations pertaining to each license category.

(r) The number of enforcement actions pertaining to each license category.

(s) A description of the types of enforcement actions taken against licensees.

(t) The number of administrative-hearing adjudications pertaining to each license type.

(u) A list of the fees charged for license applications, license renewals, and registry cards.

(v) The costs of administering the licensing program under each act.

Sec. 602. From the funds appropriated in part 1, the cannabis regulatory agency shall post on a publicly accessible website a list of all of the following:

(a) The number of investigative reports that identify violations of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, or violations of administrative rules promulgated under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.

(b) The number of investigative reports that identify suspected marihuana product that does not have the tracking numbers assigned by the statewide monitoring system affixed, tagged, or labeled as required by law.

(c) The number of complaints filed by the public with the agency that concern either of the following:

(*i*) Marihuana product that does not have the tracking numbers assigned by the statewide monitoring system affixed, tagged, or labeled as required by law.

(*ii*) Unlicensed commercial production or sale of delta-8 THC.

(d) The number and outcome of all agency disciplinary proceedings initiated against any licensee subject to the reports or complaints in subdivisions (a), (b), and (c).

(e) The number of reports the agency referred to the department of state police or other appropriate law enforcement agency.

(f) For any licensee subject to disciplinary proceedings initiated by the agency:

(*i*) Name of the licensee.

(*ii*) Description of the allegation.

(*iii*) Complaint type.

(*iv*) Process used to resolve the allegation.

(*v*) Name of the law enforcement agency the allegation was referred to, including the date of the referral.

(*vi*) Current license status and whether or not the license was suspended, surrendered, or revoked.

(*vii*) Fines or other penalties issued.

(g) The number of licenses suspended, surrendered, or revoked.

Sec. 603. (1) Not later than January 31, the department shall submit a comprehensive report to the standard report recipients for all hemp programs administered by the cannabis regulatory agency. The report must include, but is not limited to, all of the following:

(a) The total amount of fees collected by the cannabis regulatory agency from regulatory and licensing activities related to hemp and hemp processor-handlers.

(b) The total cost of administering hemp regulatory and licensing programs.

(c) The total number of hemp processor-handlers licensed in this state, by county.

(d) A list and description of any fees that the cannabis regulatory agency assesses on hemp processor-handler licensees.

(2) Not later than January 31, the department shall submit a comprehensive report to the standard report recipients for all hemp programs administered by the cannabis regulatory agency. The report must include, but is not limited to, all of the following:

(a) The total amount of fees collected by the cannabis regulatory agency from regulatory and licensing activities related to hemp and hemp processor-handlers.

(b) The total cost of administering hemp regulatory and licensing programs.

(c) The total number of hemp processor-handlers in this state, by county.

(d) A list and description of any fees that the cannabis regulatory agency assesses on hemp processor-handler licensees.

(e) The number of inspections conducted per year and the result of each inspection.

(f) The number of hemp license applications and hemp license approvals per year.

Sec. 604. The cannabis regulatory agency shall not exhibit undue partiality toward or bias against any licensee.

COMMISSIONS

Sec. 801. If Byrne formula grant funding is awarded to the Michigan indigent defense commission created under section 5 of the Michigan indigent defense commission act, 2013 PA 93, MCL 780.985, the Michigan indigent defense commission may receive and expend Byrne formula grant funds as an interdepartmental grant from the department of state police. The Michigan indigent defense commission may receive and expend federal grant funds from the United States Department of Justice.

Sec. 802. From the funds appropriated in part 1, not later than March 1, the Michigan indigent defense commission shall submit a report to the standard report recipients on all of the following information:

(a) The incremental costs associated with the standard development process, the compliance plan process, and the collection of data from all indigent defense systems and attorneys providing indigent defense. The Michigan indigent defense commission shall place particular emphasis on the costs that may be avoided after standards are developed and compliance plans are in place.

(b) A detailed explanation of the total cost calculation for each indigent defense standard and juvenile indigent defense standard for which grant recipients are receiving state grant funding. This explanation must include a comprehensive itemization of the types of costs included for each standard.

(c) An itemized listing of how much funding each grant recipient is receiving for each indigent defense standard and juvenile indigent defense standard.

(d) An explanation of the specific causal factors associated with any increase or decrease of Michigan indigent defense commission grant funding from the fiscal year 2023-2024 level.

Sec. 803. From the funds appropriated in part 1 for Michigan indigent defense commission grants, it is the intent of the legislature that the Michigan indigent defense commission begin the statutory process of developing and implementing minimum standards for youth defense services. This process would include the planning and determining needs under the Michigan indigent defense commission act, 2013 PA 93, MCL 780.981 to 780.1003.

Sec. 804. From the funds appropriated in part 1, the Michigan indigent defense commission shall notify the standard report recipients not more than 60 days after the adoption of any new indigent defense standard. The notification must include an estimated cost projection to fund the adopted indigent defense standard for the initial and subsequent fiscal years.

Sec. 805. A grant distributed by the Michigan indigent defense commission must not be used by an indigent defense system to support any construction expenses for a new structure. This section does not prohibit expenditures for renovations to existing structures, if such a renovation is part of an indigent criminal defense system's approved compliance plan.

GRANTS

Sec. 901. (1) From the funds appropriated in part 1 for marihuana operation and oversight grants, the department shall expend the funds for grants to counties for education and outreach programs that relate to the Michigan medical marihuana program and the adult-use marihuana program, in accordance with section 6(*l*) of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426, and section 14 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27964. The grant funds may be generated from application and license fees authorized under section 8(1)(b) of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27958. The grants must be distributed proportionately based on the number of registry identification cards issued to or renewed for the residents of each county that applied for a grant under subsection (2). For the purposes of this subsection, operation and oversight grants are for education, communication, and outreach regarding the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967. Grants provided under this section must not be used for law enforcement purposes.

(2) Not later than December 1, the department shall post a listing of potential grant funds available to each county on the department's website. In addition, the department shall work collaboratively with counties regarding the availability of the grant funds. A county that requests grant funds shall apply on a form developed by the department and available on the department's website. The form must contain the county's specific projected plan for use of the grant funds and its agreement to maintain all records and to submit documentation to the department to support the use of the grant funds.

(3) To be eligible to receive a grant under subsection (1), a county shall apply not later than January 1 and submit a report to the department not later than September 15 on how the grant was expended. The department shall submit a report to the standard report recipients not later than October 15 of the subsequent fiscal year that details the grant amounts by recipient and the reported uses of the grants in the previous fiscal year and details the calculation for the amount for which each county was eligible.

Sec. 902. (1) The funds appropriated in part 1 for firefighter training grants must be expended only for payments to counties to reimburse organized fire departments for firefighter training and other activities required under the firefighters training council act, 1966 PA 291, MCL 29.361 to 29.377.

(2) If the funds appropriated in part 1 for firefighter training grants are expended by the firefighters training council created under section 3 of the firefighters training council act, 1966 PA 291, MCL 29.363, for payments to counties under section 14 of the firefighters training council act, 1966 PA 291, MCL 29.374, all of the following apply to the extent otherwise permissible by law:

(a) The funds appropriated in part 1 for firefighter training grants must be allocated in accordance with section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374.

(b) If the funds allocated to any county under subdivision (a) are less than $5,000.00, the funds allocated to each county under subdivision (a) must be adjusted to provide for a minimum payment of $5,000.00 to each county.

(3) Not later than February 1, the department shall submit a financial report to the standard report recipients that identifies all of the following information for the previous fiscal year:

(a) The amount of the payments that would be made to each county if the distribution formula described in section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374, would have been utilized to allocate the total amount appropriated in part 1 for firefighter training grants.

(b) The amount of the payments approved by the firefighters training council for allocation to each county.

(c) The amount of the payments actually expended or encumbered within each county.

(d) A description of any other payments or expenditures made under the authority of the firefighters training council.

(e) The amount of payments approved for allocations to counties that was not expended or encumbered and lapsed back to the fireworks safety fund.

ONE-TIME APPROPRIATIONS

Sec. 1001. (1) From the funds appropriated in part 1 for bureau of fire services – smoke detectors, the bureau of fire services shall purchase and distribute sealed-battery smoke detectors to the residents of this state. The bureau of fire services may purchase smoke detectors with additional capabilities for individuals with physical or psychological conditions that require an accommodative technology.

(2) Not later than September 30, the department shall submit a report to the standard report recipients that contains all of the following information:

(a) The number of smoke detectors that the bureau of fire services purchased.

(b) The per-unit price that the bureau paid for the smoke detectors.

(c) An itemized list of all cities, villages, or townships that received smoke detectors and the number of smoke detectors distributed to each city, village, or township.

Sec. 1002. (1) From the funds appropriated in part 1 for Michigan Saves, the Michigan public service commission may award a $1,500,000.00 grant to Michigan Saves to conduct a grant program for clean energy improvement and on-site wastewater system replacement or repair. Michigan Saves should grant funds to individuals or small businesses within the state who have a history of having difficulty obtaining traditional capital or households with a combined income not exceeding 300% of the federal poverty level and where businesses indicate a state of financial need or vulnerability. The amount granted to a single individual or business cannot exceed $100,000.00.

(2) From the funds appropriated in part 1 for Michigan Saves, the Michigan public service commission may award a $1,500,000.00 grant to a nonprofit green bank with experience in leveraging energy-efficiency and renewable energy improvements, for the purpose of making such loans more affordable for Michigan families, businesses, and public entities. Grant funds may be used to support a loan loss reserve fund or other comparable financial instrument to further leverage private investment in clean energy improvements.

Sec. 1003. From the funds appropriated in part 1 for real estate continuing education, the bureau of professional licensing must expend the funds for grants to the Michigan Realtors Association to approve and track real estate continuing education in this state.

Sec. 1004. From the funds appropriated in part 1 for Accounting Continuing Education, the bureau of professional licensing must expend not less than $200,000.00 for grants to the Michigan Association of CPAs for the maintenance and operation of the continuing professional education tracker and web portal.

Sec. 1005. Funds appropriated in part 1 for urban search and rescue must be distributed by the bureau of fire services to support activities by the Michigan Task Force 1 in response to emergencies and other situations that require technical rescue expertise and equipment.

Sec. 1006. From the funds appropriated in part 1 for the cannabis regulatory agency social equity program, the cannabis regulatory agency shall further develop the program established under section 8(1)(j) of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27958, with all of the following goals:

(a) To encourage and increase participation in the social equity program, with particular focus to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement.

(b) To establish a minimum number of licensees that are participating in the social equity program.

(c) To consider the area median income of a community in designating communities that have been disproportionately impacted by marihuana prohibition and enforcement.

ARTICLE 11

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of lifelong education, advancement, and potential for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	342.0		
GROSS APPROPRIATION		**$**	**662,243,200**

			For Fiscal Year Ending Sept. 30, 2026
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**662,243,200**
Federal revenues:			
Total federal revenues			457,769,900
Special revenue funds:			
Total private revenues			1,000,000
Total other state restricted revenues			1,880,000
State general fund/general purpose		**$**	**201,593,300**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	37.0		
Unclassified salaries—FTEs	6.0	$	1,029,500
Executive direction and operations—FTEs	37.0		7,352,200
Property management			268,800
Worker's compensation			3,000
GROSS APPROPRIATION		**$**	**8,653,500**
Appropriated from:			
Federal revenues:			
Federal revenues			1,277,700
State general fund/general purpose		**$**	**7,375,800**
Sec. 103. INFORMATION TECHNOLOGY			
Information technology services and projects		$	1,004,100
GROSS APPROPRIATION		**$**	**1,004,100**
Appropriated from:			
Federal revenues:			
Federal revenues			223,700
State general fund/general purpose		**$**	**780,400**
Sec. 104. OFFICE OF EARLY CHILDHOOD EDUCATION			
Full-time equated classified positions	233.0		
Child care licensing and regulation—FTEs	167.0	$	29,987,600
Child development and care contracted services			22,900,000
Child development and care external support			11,028,800
Child development and care public assistance			543,312,000
Head start collaboration office—FTE	1.0		426,600
Office of great start operations—FTEs	65.0		17,818,500
Tri-share child care program			3,400,000
GROSS APPROPRIATION		**$**	**628,873,500**
Appropriated from:			
Federal revenues:			
Federal revenues			454,947,800
Special revenue funds:			
Private foundations			1,000,000
Certification fees			64,600
Child care home and center licenses fund			501,700
State general fund/general purpose		**$**	**172,359,400**
Sec. 105. OFFICE OF EDUCATION PARTNERSHIPS			
Full-time equated classified positions	21.0		
Before- and after-school administration—FTEs	2.0	$	371,200
Camp licensing unit—FTEs	7.0		700,300
Family and community engagement—FTEs	12.0		2,383,200
GROSS APPROPRIATION		**$**	**3,454,700**
Appropriated from:			
Federal revenues:			
Federal revenues			1,320,700

			For Fiscal Year Ending Sept. 30, 2026
Special revenue funds:			
Adult foster care facilities licenses fund		$	42,900
State general fund/general purpose		**$**	**2,091,100**
Sec. 106. OFFICE OF HIGHER EDUCATION			
Full-time equated classified positions	51.0		
Michigan Indian tuition waiver—FTE	1.0	$	159,700
Student financial assistance programs—FTEs	50.0		9,597,700
GROSS APPROPRIATION		**$**	**9,757,400**
Appropriated from:			
Special revenue funds:			
Michigan merit award trust fund			1,270,800
State general fund/general purpose		**$**	**8,486,600**
Sec. 107. ONE-TIME APPROPRIATIONS			
Child development and care public assistance		$	3,500,000
College success fund and student wraparound supports			1,000,000
Community college workforce initiative			240,000
Dual enrollment			3,500,000
Ensuring access to postsecondary opportunities			260,000
Michigan center for adult college success			1,000,000
Michigan center for civic education			1,000,000
GROSS APPROPRIATION		**$**	**10,500,000**
Appropriated from:			
State general fund/general purpose		**$**	**10,500,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $203,473,300.00 and total state spending under part 1 from state sources to be paid to local units of government is $500,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL		
College success fund and student wraparound supports	$	500,000
TOTAL	**$**	**500,000**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of lifelong education, advancement, and potential.

(b) "DHHS" means the Michigan department of health and human services.

(c) "Director" means the director of the department.

(d) "FTE" means full-time equated position in the classified service of this state.

(e) "IDG" means interdepartmental grant.

(f) "Standard report recipients" means the senate and house appropriations subcommittee on the department, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(g) "Task force" means the dual enrollment task force created under section 706.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the house of representatives and senate appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $350,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 214. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of the local health officer.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director of each department receiving appropriations in part 1 shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 216. On a quarterly basis, the department receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 217. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 218. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 219. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $5,536,600.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $4,993,700.00. Total department appropriations for retiree health care legacy costs are estimated at $542,900.00.

Sec. 225. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 226 (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80 percent or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 227. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 228. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 230. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 231. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 232. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount and source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 233. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money

allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

OFFICE OF EDUCATION PARTNERSHIPS

Sec. 401. From the funds appropriated in part 1 for family and community engagement, the department shall, at a minimum, do all of the following:

(a) Establish or partner with family engagement centers across this state to increase parent and guardian involvement in their child's education.

(b) Ensure translation and interpretation services are available and implemented pursuant to department guidance.

(c) Partner with intermediate school districts to assist in getting information and resources to their constituent districts.

(d) Develop an early literacy engagement plan to help parents or guardians become involved in their child's education.

OFFICE OF HIGHER EDUCATION

Sec. 701. (1) From the funds appropriated in part 1, in addition to other statutorily required duties, the department shall do all of the following:

(a) Review and evaluate all state financial aid programs. The department shall prioritize improving postsecondary educational outcomes, including student completion rates, and improving affordability of postsecondary programs in this state.

(b) Serve as the coordinating office for all agencies of the executive branch of government that are responsible for financial aid programs administered by this state.

(c) Survey stakeholders, including public, tribal, and private not-for-profit colleges and universities, state departments and agencies, and statewide postsecondary education associations on student financial aid policy to improve this state's administration of programs.

(d) Collaborate with the center for educational performance and information and individual colleges and universities to ensure streamlined and coordinated collection of data analyzing the following:

(*i*) Postsecondary education costs, including a comparison to national and regional averages.

(*ii*) Student enrollment.

(*iii*) Degree completion.

(e) Provide access to higher education institutional data inventory on an accessible, public facing dashboard to assist students, prospective students, and their families in making decisions on postsecondary education.

(f) Coordinate with other state agencies and school districts to increase utilization and awareness of postsecondary opportunities, including, but not limited to, early and middle college, dual enrollment, and private skills training scholarships.

(g) Promote, track, and provide resources to increase completion of the free application for federal student aid.

(2) From the funds appropriated in part 1, the department shall meet, at a minimum, the following transparency requirements:

(a) Collect data necessary to complete all statutory reporting requirements. The department shall notify the chairs of the house and senate appropriations committees within 10 days if an entity receiving funds from part 1 fails to comply with data collection requirements.

(b) Maintain a link on the department's website to find data submitted by postsecondary institutions through higher education institutional data inventory.

(c) Maintain a link on the department's website to the center for educational performance and information's MI School Data page on postsecondary enrollment and completion tracking.

(3) As used in this section, "center for educational performance and information" means the center for educational performance and information created in section 94a of the state school aid act of 1979, 1979 PA 94, MCL 388.1694a.

Sec. 705. The funds appropriated in part 1 for dual enrollment payments for an eligible student enrolled in a state-approved nonpublic school shall be distributed as provided under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, and the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, in a form and manner as determined by the department.

Sec. 706. (1) The dual enrollment task force is created within the department to study, develop, and recommend policies to improve dual enrollment access, oversight, and alignment across this state's K-12 and postsecondary education institutions.

(2) Members of the task force must include the following 7 individuals:

(a) The director of the department or the director's designated representative.

(b) The chairs of the senate and house of representatives appropriations subcommittees on the department's budget or a designated representative of each of the individuals described in this subdivision.

(c) The senate majority leader or a designated representative of the senate majority leader.

(d) The speaker of the house of representatives or a designated representative of the speaker of the house of representatives.

(e) Two members of the public appointed by the governor of this state.

(3) The task force shall hold no fewer than 4 meetings during the 2025-2026 fiscal year. A chairperson shall be elected at the first meeting. The first meeting of the task force must be called by the department. Subsequent meetings must take place at the call of the chairperson.

(4) The task force shall submit a report to the standard report recipients no later than September 30, 2026, with recommendations for a dual enrollment program.

(5) The task force is dissolved on September 30, 2026.

(6) The duties of the task force includes all of the following:

(a) Developing strategies to align state-level postsecondary initiatives, including dual enrollment, with broader statewide education efforts.

(b) Assessing and recommending improvements to oversight and data collection for dual enrollment programs to ensure consistency and accessibility across this state.

(c) Exploring the potential role of the department's office of higher education in managing dual enrollment and postsecondary credit opportunities.

(d) Recommending statutory changes to amend the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, and the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, to enhance coordination and remove barriers to participation.

(e) Proposing statewide goals for dual enrollment participation and completion.

(f) Developing recommendations for improving course transferability between institutions to maximize student credit recognition.

(g) Identifying potential incentives for schools, colleges, and universities to expand dual enrollment opportunities and meet statewide participation goals.

OFFICE OF EARLY CHILDHOOD EDUCATION

Sec. 1002. (1) From the funds appropriated in part 1, the department shall ensure that the final child development and care provider reimbursement rates are published on the department and Great Start to Quality webpages.

(2) In addition to the funds appropriated in part 1, upon receiving approval from the state budget director, the department may receive and expend federal child care development block grant funds that are at risk of lapsing back to the federal government. The department may do this only if all of the following criteria are met:

(a) The funds are at risk of lapsing back to the federal government by the end of the current fiscal year.

(b) The department plans to expend the funds through a 1-time rate increase to providers.

(c) The department makes the request to receive and expend the grant funds to the state budget director not less than 30 days before the expenditure of the funds.

(3) If the average cases over a 3-month period in the child development and care program result in the current projected fiscal year caseloads falling below the caseload agreement from the May consensus revenue estimating conference, the department may increase the hourly reimbursement rate to child care providers if the following conditions are met:

(a) The level of expenditures for the remainder of the year is estimated to be significantly below the level estimated from the May consensus revenue estimating conference.

(b) The department plans to expend the funds through an ongoing rate increase to providers for the remainder of the fiscal year.

(c) The department makes this request to the state budget director not less than 30 days before the expenditure of the funds that includes the rate increase.

(4) Upon receiving approval from the state budget director under subsection (2) or (3), the department must notify the senate and house fiscal agencies of the amount being appropriated, the estimated rate increase to providers, and if the rate increase to providers is 1-time or ongoing in nature.

(5) The department may withdraw the intent to expend the funds under subsection (2) or (3) by notifying the state budget director in writing.

Sec. 1003. (1) From the funds appropriated in part 1 for child development and care contracted services, the department shall create a report on all funding appropriated to contracts for the early childhood comprehensive systems planning by this state during the previous fiscal year. The report required under this section is due by April 1 and must contain at least all of the following information:

(a) Total funding appropriated to contracts for the early childhood comprehensive systems planning by this state during the previous fiscal year.

(b) The amount of funding for each grant awarded.

(c) The grant recipients.

(d) The activities funded by each grant.

(e) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All department contracts for early childhood comprehensive systems planning must be bid out through a statewide request-for-proposal process.

Sec. 1007. (1) From the funds appropriated in part 1 for child development and care – external support, child development and care contracted services, and child care licensing and regulation, the department shall create a joint report that includes, but is not limited to, the following:

(a) The affordability of child care in this state, including, but not limited to, the number of children eligible for and participating in the child development and care program, the number of children eligible for and participating in the child development and care program for the last 5 years, and key takeaways from the most recent market rate survey.

(b) The availability of child care in this state by county, including, but not limited to, the number of licensed child care providers, the change in the number of licensed child care providers and slots over time, and the estimated demand for care.

(c) The health and safety of child care, including, but not limited to, the 10 most common rule violations, the number of licenses revoked and summarily suspended, and the number of license violations for incomplete health and safety training and safe sleep training.

(d) Any actions taken to strengthen health and safety of care, including, but not limited to, the number of licensing consultants, their average caseload, the number of on-site visits they complete by provider type and region, the types of activities that are intended to improve health and safety in licensed care, and the number of times those activities are performed by licensing consultants.

(e) Information on the child care licensing process, including, but not limited to, all of the following:

(*i*) The number of initial applications, initial applications denied, license renewals, and licenses allowed to expire, aggregated by license type.

(*ii*) The average amount of time to approve or deny completed applications and a description of the most common reasons applications are denied.

(*iii*) A description of the types of complaints received, a description of the process used to resolve complaints, the average amount of time to complete investigations, and the percentage of investigations completed on time.

(*iv*) The number of complaints received, investigated, determined to be unsubstantiated, and that result in disciplinary action or rule violations.

(*v*) The number of administrative hearing adjudications.

(f) The quality of child care, including, but not limited to, the number of licensed providers participating in the Great Start to Quality program and the workforce registry, the number of new participants and how participation has changed over the last 5 years, and the number of children participating in the child development and care program enrolled in an enhancing quality level or higher program.

(g) Any actions taken to improve child care quality, including, but not limited to, the number of quality consultants, the average caseload, the number of on-site visits completed by region, the types of activities that are intended to improve quality and the number of times those activities are performed, and the number of providers that have improved the provider's quality rating since the start of the current fiscal year compared to the same time period in the preceding fiscal year, reported as the number of providers in each region.

(h) The child care workforce, including, but not limited to, the number of child care professionals, average wages by role, the number of individuals participating in the TEACH scholarship and earning a credential, and the level of demand for staff.

(2) The department must post the joint report on the department website and send the joint report to the state budget director, the house and senate subcommittees that oversee the department budget, and the house and senate fiscal agencies by April 1 of the current fiscal year reflecting data for the previous fiscal year.

Sec. 1008. From the funds appropriated in part 1 for office of early childhood education, the department shall ensure efficient service provision to coordinate services provided to families for home visits, reduce duplication of state services and spending, increase efficiencies including the home visits funded under section 32p of the state school aid act of 1979, 1979 PA 94, MCL 388.1632p, and work with the DHHS as necessary.

Sec. 1009. From the funds appropriated in part 1 for child development and care public assistance, the income entrance eligibility threshold for the child development and care program is set to not more than 200% of the federal poverty guidelines.

Sec. 1011. From the funds appropriated in part 1 for child development and care public assistance, for eligible children in the child development and care program, the department shall implement payments to providers based on enrollment rather than based on attendance. This shall be done in a manner determined by the department.

Sec. 1012. From the funds appropriated in part 1 for child development and care contracted services, $1,500,000.00 must be for the department to work in collaboration with DHHS to continue the network of infant and early childhood mental health consultation, which provides mental health consultation to child care providers.

Sec. 1025. (1) Private revenues received by the department are appropriated upon receipt and are available for expenditure by the department as permitted under state and federal law.

(2) Not later than 10 days after the receipt of a private revenues appropriated in subsection (1), the department shall notify the standard report recipients of the receipt of the funds, including source, purpose, and amount.

(3) The amount appropriated under subsection (1) must not exceed $3,000,000.00.

Sec. 1030. (1) The funds appropriated in part 1 for the tri-share child care program must be awarded for the continuation of the child care facilitator program originally initiated and funded as a pilot project in section 1047(31) of article 5 of 2020 PA 166.

(2) The department shall establish and support tri-share regional facilitator hubs and statewide services.

(3) The department must create benchmarks for regional facilitator hubs receiving appropriated funding.

(4) Any child care facilitator receiving funds under this section must be a nonprofit, limited liability company, C-corporation, S-corporation, or a sole proprietor.

(5) Child care facilitator hubs may use funds to enroll in the tri-share child care program families living in Wisconsin but who have a parent or caregiver who are employed in Michigan. A child care provider providing care for a family described in this subsection must be licensed in Michigan.

ONE-TIME APPROPRIATIONS

Sec. 1101. From the one-time appropriation in part 1 for child development and care public assistance, the department shall begin to initiate the development of requirements to meet federal provider payment compliance provisions.

Sec. 1102. From the funds appropriated in part 1 for college success fund and student wraparound supports, the department shall provide not more than $500,000.00 to support hunger-free campus activities, and not more than $500,000.00 to deliver re-enrollment initiatives for Michigan citizens with some college and no degree for the purpose of reengaging learners to increase the number of Michigan adults completing postsecondary degrees or credentials in this state. The remainder of the funds must be awarded through competitive grants to support implementation of best practices to improve student retention and completion of postsecondary degrees.

Sec. 1103. From the funds appropriated in part 1, the Michigan Center for Adult College Success must continue to improve adult postsecondary enrollment and completion under the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to 390.1709.

Sec. 1104. From the funds appropriated in part 1 for ensuring access to postsecondary opportunities, the department may expend up to $260,000.00 for public outreach to raise awareness among men of postsecondary opportunities to address disparities in postsecondary credential attainment by men.

Sec. 1105. From the funds appropriated in part 1 for community college workforce initiative, the department may expend up to $240,000.00 to convene a workgroup that will document and publish a statewide approach for small and medium size employers to obtain workforce training and other resources for their employees at community colleges.

Sec. 1106. From the funds appropriated in part 1 for Michigan Center for Civic Education, the department shall allocate $1,000,000.00 to the Michigan Center for Civic Education, a 501(C)3 nonprofit organization that works to improve law-related and civic education for youth through various engagement programs.

ARTICLE 12

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	9.0		
Full-time equated classified positions	967.0		
GROSS APPROPRIATION		**$**	**290,166,300**
Total interdepartmental grants and intradepartmental transfers			101,800
ADJUSTED GROSS APPROPRIATION			**290,064,500**
Federal revenues:			
Total federal revenues			148,840,000
Special revenue funds:			
Total local revenues			0
Total private revenues			100,000
Total other state restricted revenues			12,953,500
State general fund/general purpose		**$**	**128,171,000**
Sec. 102. MILITARY			
Full-time equated unclassified positions	9.0		
Full-time equated classified positions	422.5		
Unclassified salaries—FTEs	9.0	$	1,878,100
Headquarters and armories—FTEs	103.0		23,056,200
Michigan youth challeNGe academy—FTEs	68.0		10,441,800
Military family relief fund			150,000
Military retirement			2,585,600
Military training sites and support facilities—FTEs	240.0		46,533,200
National Guard operations			600,500
Michigan National Guard member benefit fund—FTEs	11.5		11,244,800
Starbase grant			2,322,000
GROSS APPROPRIATION		**$**	**98,812,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG - state police			101,800
Federal revenues:			
DOD - DOA - NGB			64,391,600

			For Fiscal Year Ending Sept. 30, 2026
Federal counternarcotics revenues		$	100,000
Special revenue funds:			
Private donations			90,000
Billeting fund			1,377,800
Military family relief fund			150,000
Morale, welfare, and recreation fund			100,000
Rental fund			187,500
Test project fund			100,000
State general fund/general purpose		**$**	**32,213,500**
Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY			
Full-time equated classified positions	61.0		
County veteran service grants—FTEs	2.0	$	4,255,500
Michigan veterans affairs agency administration—FTEs	49.0		8,381,300
Veterans trust fund administration—FTEs	8.0		1,185,200
Veterans trust fund grants			2,500,000
Veterans service grants—FTEs	2.0		4,255,500
GROSS APPROPRIATION		**$**	**20,577,500**
Appropriated from:			
Federal revenues:			
DVA - VHA			753,400
Special revenue funds:			
Private donations			10,000
Michigan veterans trust fund			3,685,200
Veterans license plate fund			50,000
State general fund/general purpose		**$**	**16,078,900**
Sec. 104. MICHIGAN VETERANS FACILITY AUTHORITY			
Full-time equated classified positions	483.5		
Chesterfield Township home for veterans—FTEs	110.0	$	34,663,700
D.J. Jacobetti home for veterans—FTEs	179.0		26,342,500
Grand Rapids home for veterans—FTEs	176.0		39,801,000
Information technology services and projects			1,738,100
Michigan veteran homes administration—FTEs	18.0		4,920,500
Veterans cemetery—FTEs	0.5		133,100
GROSS APPROPRIATION		**$**	**107,598,900**
Appropriated from:			
Federal revenues:			
DVA - VHA			43,346,800
HHS - HCFA, Medicare, hospital insurance			1,345,300
HHS - HCFA title XIX, Medicaid			8,745,000
Special revenue funds:			
Income and assessments			6,303,000
State general fund/general purpose		**$**	**47,858,800**
Sec. 105. CAPITAL OUTLAY			
Armory maintenance		$	1,000,000
Land and acquisitions			1,000,000
Special maintenance - National Guard			30,000,000
Special maintenance - veterans homes			500,000
GROSS APPROPRIATION		**$**	**32,500,000**
Appropriated from:			
Federal revenues:			
DOD - DOA - NGB			30,000,000
Special revenue funds:			
Michigan National Guard construction fund			1,000,000
State general fund/general purpose		**$**	**1,500,000**

		For Fiscal Year Ending Sept. 30, 2026
Sec. 106. INFORMATION TECHNOLOGY		
Information technology services and projects	$	677,700
GROSS APPROPRIATION	**$**	**677,700**
Appropriated from:		
Federal revenues:		
DOD - DOA - NGB		157,900
State general fund/general purpose	**$**	**519,800**
Sec. 107. ONE-TIME APPROPRIATIONS		
Selfridge Air National Guard base	$	26,000,000
Veterans nonprofit improvement grants		4,000,000
GROSS APPROPRIATION	**$**	**30,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**30,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $141,124,500.00 and state spending under part 1 from state sources to be paid to local units of government is $4,178,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
County veteran service grants	$	4,041,500
Michigan veterans affairs agency administration		90,000
Military training sites and support facilities		46,500
TOTAL	**$**	**4,178,000**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "CMS" means the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

(b) "Department" means the department of military and veterans affairs.

(c) "DHHS" means the department of health and human services.

(d) "Director" means the director of the department.

(e) "FTE" means full-time equated position in the classified service of this state.

(f) "IDG" means interdepartmental grant.

(g) "MVAA" means the Michigan veterans affairs agency created by Executive Reorganization Order No. 2013-2, MCL 32.92.

(h) "MVFA" means the Michigan veterans' facility authority created under section 3 of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.103.

(i) "MVH" means the Michigan veteran homes as that term is defined in the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.102.

(j) "MYCA" means the Michigan youth challeNGe academy.

(k) "Standard report recipients" means the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(*l*) "USDVA" means the United States Department of Veterans Affairs.

(m) "USDVA-VHA" means the USDVA Veterans Health Administration.

(n) "VSO" means veterans service organization.

(o) "Veterans' facility" means that term as defined in section 2 of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.102.

(p) "Work project" means that term as defined in section 404 of the management and budget act, 1984 PA 431, MCL 18.1404, and that meets the criteria in section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 204. The department or agency shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department or a state agency for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department or agency is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department and each agency receiving appropriations part 1 shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel by classified and unclassified employees outside this state in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department or agency shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportion funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall transmit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $8,600,000.00 for federal contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,100,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $250,000.00 for local contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 211. (1) The department or agency shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department or each agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 213. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 214. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises 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 geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 216. On a quarterly basis, the department or agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 219. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. Funds appropriated in part 1 for capital outlay must be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 224. If the department intends to sell any department real property, the department shall submit notification of that intent to the standard report recipients 60 days before the public announcement of that intention.

Sec. 225. The department shall provide biannual reports that include the following data:

(a) A list of all major work projects, including a status report of each project.

(b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item, including a year-end projection of budget requirements.

(c) The number of active employees at the close of the reporting period by job classification and departmental branch of service.

Sec. 226. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 227. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 229. By April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 233. (1) The department shall maximize utilization of the department's in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 234. (1) The department shall require as a condition of each contract or subcontract that a prequalified contractor or prequalified subcontractor agrees to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require the contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services, in partnership with the Social Security Administration.

Sec. 235. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 236. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $11,475,400.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $10,350,100.00. Total appropriations for retiree health care legacy costs for the department are estimated at $1,125,300.00.

Sec. 237. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The department shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 239. The department shall provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 240. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

MILITARY

Sec. 301. (1) Not later than October 30, the department shall report a list of the current unclassified positions, which shall include the official titles and responsibilities of each position.

(2) Upon the department being granted a request for an additional unclassified employee position from the civil service commission, or for any substantive changes to the duties of an existing unclassified employee position, the department shall report on these changes within 15 days.

Sec. 302. (1) The department shall operate and maintain National Guard armories and implement a system to measure the condition and adequacy of those armories.

(2) Not later than January 15, the department shall evaluate armories and submit an annual report on the status of the armories that includes the following information:

(a) An assessment of the grounds and facilities of each armory to objectively measure and determine the current facility condition and capability to support authorized manpower, unit training, and operations.

(b) Recommendations for the placement of new armories, the relocation or consolidation of existing armories, or a change in the mission of units assigned to armories to ideally position the National Guard in current or projected population centers.

(c) Recommendations for the enhanced use of armories to facilitate family support programs during deployments.

(d) An analysis of the feasibility, potential costs, and benefits of use of armories shared with other local, state, or federal agencies to improve responses to local emergencies as well as the community support provided to armories.

(e) An investment strategy and proposed funding amounts in a prioritized project list to correct the most critical facility shortfalls across the inventory of armories in this state.

(f) A review of the status of construction activities and expenditures of the armory modernization project funded in section 107 of article 10 of 2022 PA 166 and section 104 of 2022 PA 194.

Sec. 303. (1) The department shall maintain the MYCA to provide values, skills, education, and self-discipline instruction for at-risk youth as provided under 32 USC 509.

(2) The department shall take steps to recruit candidates to the MYCA from economically disadvantaged areas, including those with low-income and high-unemployment backgrounds.

(3) The department shall partner with the DHHS to identify youth who may be eligible for MYCA from those youth served by DHHS services programs. The department shall give these eligible youth priority for enrollment.

(4) The department shall maintain the MYCA to graduate at least the target number of graduates consistent with the state's cooperative agreement with the National Guard Bureau regarding program operations.

(5) The department shall monitor individual academic success as measured by the number of individuals who have received a general equivalency diploma, high school diploma, or high school credit recovery or by the improvement of tests of adult basic education scores, or both.

(6) Any unexpended and unencumbered private donations to support the MYCA at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.

Sec. 304. (1) Not later than January 15, the department shall provide a report on the revenues, expenditures, and fund balance of the military family relief fund. The department shall itemize expenditures in the report by purpose, including, but not limited to, for advertising and assistance grants. The report must also include information on the number of applications for assistance received, approved, and denied for the previous fiscal year.

(2) From the funds appropriated in part 1, the department shall provide outreach to the Michigan families of members of the reserve component of the Armed Forces of the United States called into active duty on the availability of assistance through the military family relief fund.

(3) As used in this section, "military family relief fund" means the military relief fund created in section 3 of the military family relief fund act, 2004 PA 363, MCL 35.1213.

Sec. 305. (1) The department shall do all of the following:

(a) Provide Army and Air National Guard forces, when directed, for state and local emergencies and in support of national military requirements.

(b) Operate and maintain Army National Guard training facilities, including Fort Custer and Camp Grayling.

(c) Maintain a system that measures the condition and adequacy of air facilities using both quality and functionality criteria.

(d) Operate and maintain Air National Guard air bases, including Selfridge Air National Guard base, Battle Creek Air National Guard base, and Alpena combat readiness training center.

(2) Not later than March 1, the department shall report the following information for the previous calendar year:

(a) The apportioned and assigned strength of the Michigan Army National Guard.

(b) The apportioned and assigned strength of the Michigan Air National Guard.

(c) Recruiting, retention, and attrition data, including measurement against stated performance goals, for the Michigan Army National Guard.

(d) Recruiting, retention, and attrition data, including measurement against stated performance goals, for the Michigan Air National Guard.

Sec. 306. (1) The billeting fund is created within the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) All of the fees and other revenues generated from the operation of the chargeable transient quarters program must be deposited in the fund.

(4) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(5) The department is the administrator of the fund for auditing purposes.

(6) The department shall expend money from the fund to support program operations and the maintenance and operations of the chargeable transient quarters program as appropriated in part 1.

(7) Not later than January 15, the department shall submit an annual report of operations and expenditures regarding the fund for the previous fiscal year.

Sec. 307. (1) From the funds appropriated in part 1 for Michigan National Guard member benefit program, the department shall maintain a Michigan National Guard tuition assistance program as provided under the

Michigan National Guard tuition assistance act, 2014 PA 259, MCL 32.431 to 32.434. The Michigan National Guard tuition assistance program must do all of the following:

(a) Bolster military readiness by increasing recruitment and retention of Michigan Army and Air National Guard members.

(b) Fill federally authorized strength levels for the state.

(c) Improve the Michigan Army and Air National Guard's competitive draw from other military enlistment options in the state.

(d) Enhance the ability of the Michigan Army and Air National Guard to compete for guard members and federal dollars with surrounding states.

(e) Increase the pool of eligible candidates within the Michigan Army and Air National Guard to become commissioned officers.

(2) The department shall make efforts to increase the number of National Guard members who have received a credential or are still enrolled in the Michigan National Guard tuition assistance program after their initial term of enlistment. To evaluate the effectiveness of the program, the department shall monitor the number of new recruits and new reenlistments and the percentage of those who become participants in the program to determine whether the percentage of authorized Michigan Army and Air National Guard strength obtained and retained is competitive in comparison with the neighboring army and air national guards from Illinois, Indiana, Ohio, and Wisconsin.

(3) Not later than March 1, the department shall provide a report on the Michigan National Guard tuition assistance program. The report must include, but is not limited to, the following information for the previous fiscal year:

(a) The number of guard members, spouses, children, and dependents that received tuition assistance, broken down by the number of each type of recipient.

(b) The educational institutions from which those guard members, spouses, children, and dependents received education or training under the program, broken down by the number of each type of recipient and each type of educational or training program for which tuition assistance was received.

(c) The total amount of financial assistance received by each educational institution.

(d) The total funds expended on the program for financial assistance for each type of recipient and each type of educational or training program.

(e) The total funds expended on the program for administrative costs of the department.

(f) For each FTE position appropriated in part 1 for the Michigan National Guard tuition assistance program, a description of the position's functions, assigned responsibilities, and, if applicable, the length of time that the position has been vacant.

(g) The total number of applications for tuition assistance approved and denied.

(h) The number of guard members, spouses, children, and dependents receiving tuition assistance who successfully completed an educational or training program for which tuition assistance was received.

(i) A description of each educational or training program offered through the Michigan National Guard tuition assistance program.

(j) A list of any educational institutions and training programs removed from eligibility and the rationale for that removal.

(k) An explanation of any identified barriers to the successful utilization of the program, or other unmet needs of the program and applicable proposals for legislative action to address those barriers and needs.

Sec. 308. The department shall maintain the starbase program at Air National Guard facilities, as provided under 10 USC 2193b, to improve the knowledge, skills, and interest of students, primarily in the fifth grade, in math, science, and technology. The starbase program is to specifically target minority and at-risk students for participation.

Sec. 309. (1) The National Guard test projects fund is created within the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) All of the fees and other revenues generated from the operation of the test projects program shall be deposited in the fund.

(4) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(5) The department is the administrator of the fund for auditing purposes.

(6) Money in the fund shall be available for expenditure for the support of program operations as appropriated in part 1.

Sec. 310. (1) The morale, welfare, and recreation fund is created within the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and shall credit interest and earnings from the investments to the fund.

(3) The department is the administrator of the fund for auditing purposes.

(4) All of the fees and other revenues generated from the operation of the morale, welfare, and recreation program must be deposited in the morale, welfare, and recreation fund. Money in the fund is available for expenditure for the support of program operations as appropriated in part 1.

(5) Money remaining in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

Sec. 311. (1) The National Guard facilities rental fund is created in the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and shall credit interest and earnings from the investments to the fund.

(3) All of the fees and other revenues generated from the operation of the National Guard facilities rental program must be deposited in the fund.

(4) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(5) The department is the administrator of the fund for auditing purposes.

(6) Money in the fund is available for expenditure for the support of program operations as appropriated in part 1.

Sec. 312. Not later than February 1, the department shall provide the report required under section 251(7) of the Michigan military act, 1967 PA 150, MCL 32.651.

Sec. 313. The Michigan Army National Guard and Air National Guard shall work to provide a culture that is free of sexual assault, through an environment of prevention, education and training, response capability, victim support, reporting procedures, and appropriate accountability that enhances the safety and well-being of all guard members.

Sec. 314. (1) From the funds appropriated in part 1 for Michigan National Guard member benefit fund, the department shall create and administer a Tricare premium reimbursement program.

(2) The department may reimburse eligible members for a premium paid for any of the following:

(a) Individual coverage under the Tricare dental program.

(b) Individual coverage through the Tricare reserve select program.

(3) The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, as necessary, to implement and administer the Tricare premium reimbursement program created in subsection (1).

(4) As used in this section:

(a) "Eligible member" means a member of the Michigan National Guard who is eligible for coverage under the Tricare dental program or the Tricare reserve select program and meets any other eligibility criteria established by the department.

(b) "Tricare dental program" means a voluntary dental health insurance plan for eligible members who are not on active duty and are not covered by a traditional assistance management program, an existing health insurance program through an employer, or a private market plan.

(c) "Tricare reserve select program" means a voluntary health insurance plan for eligible members who are not on active duty and are not covered by a traditional assistance management program, an existing health insurance program through an employer, or a private market plan.

Sec. 315. (1) From the funds appropriated in part 1 for Michigan National Guard member benefit fund, the department shall create and administer a child care assistance program as provided under the Michigan National Guard child care assistance act.

(2) To receive assistance under the child care assistance program, an eligible member must submit an application to the department. If there is sufficient money in the Michigan National Guard member benefit fund, the department shall approve, subject to the limitations under subsection (3), an application to cover the amount of child care assistance requested in the application if either of the following applies:

(a) The eligible member is a single parent.

(b) The eligible member's spouse is also an eligible member.

(3) The department shall issue a stipend at a rate established annually by the department to each eligible member who applies and is approved for child care assistance under the program. The department shall determine the amount of child care assistance that may be provided under this subsection for each fiscal year. The amount of child care assistance determined by the department under this subsection applies to all eligible members who apply and are approved under the program. The department shall not approve child care assistance for more than 12 hours a day for weekend drills and annual training and for not more than 39 days a year.

(4) The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, as necessary to implement and administer the child care assistance program.

(5) Not later than March 1, the department shall provide a report on the child care assistance program. The report must include, but is not limited to, the following information:

(a) The number of eligible members receiving child care assistance under the program, broken down by service branch and including the amount of the stipend issued, and the total number of National Guard members by service branch.

(b) The number of children for whom a stipend was paid and the associated number of hours paid broken down by service branch.

(c) The hourly rate paid.

(d) The total funds expended on the program for child care stipends.

(e) The total funds expended on the program for administrative costs of the department.

(f) Any other pertinent information, as determined by the department, on the program's operations and administration.

(6) As used in this section:

(a) "Child care assistance program" or "program" means the child care assistance program created under the Michigan National Guard child care assistance act.

(b) "Eligible member" means that term as defined in section 2 of the Michigan National Guard child care assistance act.

Sec. 316. (1) The general fund/general purpose funds appropriated in part 1 for the Michigan National Guard member benefit fund must be deposited into the restricted Michigan National Guard member benefit fund. All funds in the restricted Michigan National Guard member benefit fund are appropriated and available for expenditure to support the Michigan National Guard's tuition assistance program, Tricare premium reimbursement program, and childcare assistance program.

(2) As used in this section, "Michigan National Guard member benefit fund" means the Michigan National Guard member benefit fund created in section 3 of the Michigan National Guard member benefit fund act.

MICHIGAN VETERANS AFFAIRS AGENCY

Sec. 404. (1) Money privately donated to the department for the MVAA in excess of the appropriation in part 1 is appropriated and available for expenditure for the benefit and life enrichment of veterans and for the purpose designated by the private source, if specified and in compliance with this section.

(2) Any unexpended and unencumbered private donations to support the MVAA at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.

(3) Not later than January 15, the department must submit a report that provides an itemized listing of private donations received by the department for the MVAA for the previous fiscal year and the purpose for which the funds will be, or were, expended, if known. In addition to the annual report required under this subsection, if a donation described under this section is $10,000.00 or greater, the department must submit a report within 14 calendar days after receiving that donation providing the amount of the donation and the purpose for which the funds will be expended, if known.

Sec. 405. (1) The Michigan veterans' trust fund board together with the MVAA shall provide emergency grants for disbursement from the Michigan veterans' trust fund, as provided under the following program authorities:

(a) Sections 37, 38, and 39 of article IX of the state constitution of 1963.

(b) 1946 (1st Ex Sess) PA 9, MCL 35.602 to 35.610.

(c) R 35.1 to R 35.7 of the Michigan Administrative Code.

(d) R 35.621 to R 35.623 of the Michigan Administrative Code.

(2) Not later than January 15 , the MVAA shall provide a detailed report of the Michigan veterans' trust fund that includes, for the previous fiscal year, the following information:

(a) Details concerning the methodology of allocations and the selection of emergency grant program authorized agents.

(b) A description of how the emergency grant program is administered in each county.

(c) A detailed breakdown of the Michigan veterans' trust fund expenditures for the emergency grant program, including the amount distributed to each county for operating costs, administrative costs and emergency grants.

(d) Expenditures for state operating costs and administrative costs.

(e) The number of approved emergency grant applications, by category of assistance, and the number of denied applications, by reason of denial.

(f) A description of the MVAA's efforts to reduce program administrative costs and maintain the Michigan veterans' trust fund corpus at or above its original amount of $50,000,000.00.

(g) The overall financial status of the Michigan veterans' trust fund, including revenues and year-end balance.

(h) Expenditures for program partnerships, delineated by organization, and expenditures for any other program initiatives.

Sec. 406. The MVAA shall do all of the following:

(a) Provide outreach services to Michigan veterans to advise them on the benefits to which they are entitled, as provided under Executive Reorganization Order No. 2013-2, MCL 32.92.

(b) Develop and operate an outreach program that communicates benefit eligibility information to at least 50% of Michigan's population of veterans, as assessed by annual census estimates, with a goal of reaching 100% and enabling 100% to access benefit information online.

(c) Communicate veteran benefit information pertaining to the Michigan military family relief fund, Michigan veterans' trust fund, and USDVA health, financial, and memorial benefits to which veterans are entitled.

(d) Fulfill requests for military discharge certificates (DD-214) upon request.

(e) Not later than January 15, submit a report providing, to the extent known, data on the estimated number of homeless veterans, by county, in this state.

(f) Not later than January 1, submit a report on the percentage of Michigan veterans contacted through its outreach programs, with a goal of 90%, and report that percentage on the status of outreach.

Sec. 408. From the funds appropriated in part 1, the MVAA shall provide for the regional coordination of services and do all of the following:

(a) Coordinate with veteran benefit counselors throughout a specified region.

(b) Coordinate services with all state departments and agencies.

(c) Coordinate with regional workforce and economic development agencies.

(d) Coordinate activities among local foundations, nonprofit organizations, and community groups to improve accessibility, enrollment, and utilization of the array of health care, education, employment assistance, and quality of life services provided at the local level.

(e) Work with MVAA service officers, county veteran counselors, VSO service officers, and other service providers to increase awareness of available mental health care resources and support services veterans may be eligible to receive.

(f) Coordinate with the DHHS to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits, to the extent that the identification does not violate applicable confidentiality requirements.

(g) Collaborate with the department of corrections to create and maintain a process by which prisoners can obtain a copy of their DD-214 form or other military discharge documentation if necessary.

(h) Ensure that all MVAA service officers and VSO service officers receive appropriate training in processing applications for benefits payable to veterans due to military sexual trauma, post-traumatic stress disorder, depression, anxiety, substance use disorder, or other mental health issues.

Sec. 410. (1) The MVAA shall provide claims processing services to Michigan veterans in support of benefit claims submitted to the USDVA for the health, financial, and memorial benefits for which they are eligible. The MVAA shall report annually on the number of benefit claims, by type, submitted to the USDVA by MVAA and maintain the staffing and resources necessary to process a minimum of 500 claims per year.

(2) The MVAA shall develop and implement a process to ensure that all county veterans counselors receive the training and accreditation necessary to provide quality services to veterans and shall report information annually on the number and percentage of county veterans counselors trained by the MVAA, and the number and percentage who received funding from the MVAA to attend training, with an overall goal of 100% of county veterans counselors trained.

(3) From the funds appropriated in part 1 for MVAA, the MVAA is authorized to expend up to $100,000.00 to hire legal services to represent veterans benefit cases before federal court to maintain accreditation under 38 CFR 14.628(d)(1)(iv).

Sec. 411. (1) From the funds appropriated in part 1 for veterans service grants, the MVAA shall establish, administer, and award competitive grants to 1 or more congressionally chartered VSOs or a coalition of VSOs. The MVAA shall award grants to support efforts to connect veterans and their dependents with federal compensation and pension benefits and state veterans' benefits, including emergency grants through the Michigan veterans' trust fund and other local or nonprofit assistance that may be available to veterans and their dependents. The MVAA shall establish a competitive grant process that satisfies all of the following:

(a) Utilizes a service provision model to provide services across the state and can be tracked regionally to ensure that veterans and their dependents in this state, including those within tribal communities, are provided with services, advocacy, and outreach as close to the communities in which they live as possible.

(b) Ensures that grantees are providing adequate veteran services and advocacy, through in-person and virtual meetings, that enables the organization to meet performance goals established in the grant agreement.

(c) Fosters innovative and transformative approaches and techniques for the grantee to use when providing services, advocacy, and outreach for veterans and their dependents.

(d) Requires grantees to use an MVAA-designated internet-based claims data system to manage caseloads. License fees associated with the claims data system described in this subdivision are considered an allowable expenditure and may be reimbursed with grant funds.

(e) Requires grantees, in coordination with the MVAA, to provide services to incarcerated veterans who are within 1 year of their earliest release date.

(f) Ensures that each grantee is issued performance goals.

(g) Ensures that each grantee expends grant awards as prescribed in the grant agreement.

(h) Requires each grantee to report not less than quarterly on all of the following:

(*i*) An accounting for all grant fund expenditures.

(*ii*) The number and type of claims originated and submitted by the grantee to the USDVA.

(*iii*) The number and type of claims originated by an organization other than the grantee and submitted by the grantee to the USDVA.

(*iv*) The services provided to veterans and their dependents.

(*v*) Progress in achieving monthly performance benchmark goals.

(i) Ensures that each grantee is issued monthly performance benchmark goals that each grantee must aim to achieve and require each grantee to report to the MVAA, in order to ensure that benchmark goals are being achieved, or on target to be achieved, in the fiscal year.

(2) The MVAA shall do all of the following:

(a) Follow all generally accepted accounting principles in accordance with sections 141 and 485 of the management and budget act, 1984 PA 431, MCL 18.1141 and 18.1485.

(b) When establishing, modifying, or amending the competitive grant process described in subsection (1), consult and collaborate with congressionally chartered VSOs in the state, or a coalition of VSOs, and other stakeholders to ensure a comprehensive approach to providing services, advocacy, and outreach to veterans and their dependents.

(c) Provide notice to current grantees of any MVAA-proposed modifications or amendments to the competitive grant process and provide those grantees with an opportunity to respond through written communication.

(d) Assess the accuracy rate of claims reported by grantees.

(e) Review and audit grantees' expenditure of grant funds to ensure compliance with the grant agreement, as provided under section 470 of the management and budget act, 1984 PA 431, MCL 18.1470.

(3) Not later than January 15, the MVAA shall provide a report summarizing grant activities for the previous fiscal year, including the amount of expenditures, number of service and advocacy hours, number of claims for benefits submitted by type of claim, and other information deemed appropriate by the MVAA.

(4) From the funds appropriated in part 1 for veterans service grants, $214,000.00 must be allocated to cover necessary administrative and implementation costs incurred by the MVAA.

(5) The unexpended funds appropriated in part 1 for veterans service grants are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and must be available for expenditures for projects under this section until the projects have 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 administer and award competitive grants to 1 or more congressionally chartered VSOs or a coalition of VSOs.

(b) The project will be accomplished by state employees and grantees.

(c) The tentative completion date is September 30, 2027.

Sec. 413. (1) The funds appropriated in part 1 for county veteran service grants must be deposited into the restricted county veteran service fund created in section 3a of 1953 PA 192, MCL 35.623a. All available funds in the restricted county veteran service fund are appropriated and available for expenditure as provided by law.

(2) From the restricted county veteran service fund created in section 3a of 1953 PA 192, MCL 35.623a, $214,000.00 must be allocated to the MVAA to cover necessary administrative and implementation costs incurred by the MVAA.

(3) The MVAA shall provide a report not later than January 15 that includes the following information for the previous fiscal year:

(a) A list of counties that received a grant under this section and details concerning the methodology of allocations, including, but not limited to, all program information distributed by the MVAA to counties and any applicable timelines and deadlines imposed by the MVAA.

(b) The base, per capita, and total amounts of grant funding each county received under section 3a(6) of 1953 PA 192, MCL 35.623a, including any amount of funding provided under the emergent need relief program pursuant to section 3a(10) of 1953 PA 192, MCL 35.623a.

(c) A summary of each county's expenditures of grant funding.

(d) The amount of any unexpended grant funding disbursed to the counties that has been recovered and returned to the county veteran service fund.

(e) The balance of the county veteran service fund at the close of the fiscal year.

(f) A list of counties that have requested funds in the current fiscal year, the amount requested by each county, and the total of these amounts.

(g) A list of counties that did not request funds in the current fiscal year.

(h) The amount of any funds recovered by the MVAA through the MVAA's finding of misused grant funds.

(i) An explanation of any obstacles or reasons for counties not applying for or spending their eligible amount of grant funding.

(j) The amount expended by the MVAA for grant administration and implementation costs.

(k) Details concerning the methodology of allocations and the selection of emergency grant program authorized agents.

(4) The MVAA shall notify the legislature not later than 30 days after any changes, alterations, or modifications are made to the amount of grant funding awarded to a county under section 3a of 1953 PA 192, MCL 35.623a.

(5) On a quarterly and annual basis, but not more than quarterly, a county that receives grant funding under section 3a of 1953 PA 192, MCL 35.623a, shall submit a report to the MVAA that includes, but is not limited to, all of the following:

(a) A line-item accounting of all expenditures made using grant funds, including, but not limited to, salaries, training, outreach, equipment, transportation, and operational expenses.

(b) A breakdown of the number of veterans served using grant funds, including the number of veterans assisted, the types of services provided, and the number and types of claims submitted.

(c) A comparison of the costs associated with delivering services or products to veterans to the amount of grant funding spent on delivering those services or products.

(d) A verification of county match funding, including documentation that the county has maintained at least 70% of the funding level from the previous fiscal year for veteran services.

(e) A description of how county expenditures align with the intended outcomes of the county veteran service grant program, including any challenges or deviations from planned activities.

(f) A certification, signed by the county veteran service officer and a county fiscal officer, affirming that all expenditures comply with county veteran service grant conditions and applicable law.

(6) A county that receives grant funding under section 3a of 1953 PA 192, MCL 35.623a, shall use the grant funding only for allowable expenditures. As used in this subsection, "allowable expenditures" means any of the following:

(a) Payroll and salaries.

(b) Staff onboarding and training.

(c) Office space.

(d) Information technology and equipment.

Sec. 415. Not later than January 15, the MVAA shall submit a report that includes all of the following:

(a) An analysis on the scope of homelessness among the state's veteran population, including the estimated number of homeless veterans, by county.

(b) Challenges to securing housing for homeless veterans.

(c) Recommendations for future long-term partnerships between the Michigan state housing development authority, the MVAA, municipalities, and nonprofit organizations that could assist in eliminating homelessness among veterans in this state. Recommendations under this subdivision must minimize additional costs to local units of government.

(d) Activities of the MVAA in the previous fiscal year to support homeless veterans or eliminate homelessness among veterans.

Sec. 416. From the funds appropriated in part 1, the department may partner with the DHHS to facilitate and administer a program to contract with or provide grants to local health care providers to accelerate the clinical research and deployment of promising investigational treatments for suicide prevention that have been granted breakthrough therapy designation by the United States Food and Drug Administration and are eligible for expanded access as defined by the United States Food and Drug Administration, specifically for the treatment of post-traumatic stress disorder, major depressive disorder, or treatment-resistant depression in veterans of the United States military and first responders.

MICHIGAN VETERANS' FACILITY AUTHORITY

Sec. 501. (1) Money privately donated to the MVH, the MVFA, or a veterans' facility in excess of the appropriation in part 1 is appropriated and is available for expenditure for the benefit and life enrichment of resident members and for the purpose designated by the private source, if specified and in compliance with this section.

(2) Any unexpended or unencumbered private donations to support the MVH, the MVFA, or a veterans facility at the close of the fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.

(3) Not later than January 15, the MVH must submit a report that provides an itemized listing of the private donations received by the MVH, the MVHA, or a veterans facility and the purpose for which the funds will be, or were, expended, if known. In addition to the annual report required under this subsection, if the MVH, the MVFA, or a veterans' facility receives a private donation that is $10,000.00 or greater, the MVH must submit a report within 14 calendar days after receiving that donation providing the amount of the donation and the purpose for which the funds are to be expended, if known.

Sec. 502. (1) From the funds appropriated in part 1, the MVH and the MVFA shall provide compassionate and quality nursing care services at each veterans' facility in this state so that resident members can achieve their highest potential of wellness, independence, self-worth, and dignity. The MVFA and the MVH shall provide nursing care services to veterans in accordance with federal standards and report the results of the annual USDVA and CMS surveys and certification as proof of compliance.

(2) Appropriations in part 1 for a veterans' facility shall not be used for any purpose other than expenses related to the operations of the veterans' facility.

Sec. 503. All contractors providing health care services at a veterans' facility shall provide services in a manner that complies with applicable USDVA and CMS regulations for state veterans' homes and skilled nursing facilities, any rules governing the operation of nursing homes licensed in this state, and any training and education requirements associated with staff licensure or certification.

Sec. 504. (1) The MVFA shall report and investigate all complaints of abuse or neglect at a veterans' facility in compliance with USDVA and CMS regulations for state veterans' homes and skilled nursing facilities. The MVFA shall report on a bimonthly basis the following information:

(a) A description of the process by which resident members and others may file complaints of alleged abuse or neglect at a veterans' facility.

(b) Summary statistics on the number and general nature of complaints of abuse or neglect.

(c) Summary statistics on the final disposition of complaints of abuse or neglect received.

(2) The MVFA shall display in high-traffic areas throughout the veterans' facility the process by which visitors, resident members, and staff of the veterans' facility may register complaints.

Sec. 505. The MVH shall do the following regarding member care:

(a) Provide board-certified psychiatric care for all resident members with mental health disorders in order to ensure that those resident members receive needed services in a professional and timely manner.

(b) Provide all resident members and staff a safe and secure environment.

(c) Ensure that the veterans' facility effectively develops, executes, and monitors all comprehensive care plans in accordance with federal regulations and the veterans' facility's internal policies, with a goal that a comprehensive care plan is fully developed for all resident members.

Sec. 506. The MVH shall establish and implement internal controls regarding all of the following:

(a) The use and management of food, maintenance, and pharmaceutical and medical supply inventories.

(b) Calculating resident member maintenance assessments in order to accurately calculate resident member maintenance assessments for each billing cycle and ensure that all past due resident member maintenance assessments are addressed within 30 days.

(c) Monetary donations and donated goods.

(d) The handling of resident member funds to ensure the release of funds within 15 calendar days upon the resident member leaving the home and to ensure that a representative of a resident member is provided a full accounting of that resident member's funds within 30 calendar days after the death of that resident member.

(e) Financial reporting and accounting.

Sec. 507. (1) The MVH shall post on its website the following:

(a) All policies adopted by the MVFA and the veterans' facility related to the administrative operations of the veterans' facility.

(b) The agenda and minutes of public meetings of the MVFA board.

(2) The MVH shall provide a report with copies of each veterans' facility's USDVA State Veteran Home quarterly report. These quarterly reports shall also be posted on the MVH website and these reports must include statistics and information that demonstrates the performance of MVH compared to available state and national veterans' homes or nursing homes.

(3) Not later than January 15, the MVH shall provide a report on the following:

(a) Census data for each veterans' facility, including information on level of care, service era of its resident members, payer source, and average income and assessment rate.

(b) Per patient daily care hours provided by each veterans' facility, by level of care.

(4) The MVH shall provide a bimonthly report on the financial status of each veterans' facility and central MVFA/MVH administration. Information shall include, but not be limited to, actual year-to-date and projected year-end revenues and expenditures, by fund source.

(5) The MVH shall provide a report on the results of any annual or for-cause survey conducted by any entity with oversight over the veterans' facility and any corresponding corrective action plan. This information shall also be made available publicly through the MVH website.

(6) In addition to the information required under section 12(1) of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.112, not later than January 31, the MVFA shall provide a report detailing the strategies and actions taken to maximize revenues from non-general fund sources and cost savings strategies.

Sec. 508. In addition to the funds appropriated in part 1, private revenues held by the MVH on a nonfiduciary basis for a resident member of a veterans' facility are appropriated to pay medical expenses, member assessments, and other expenses incurred by that resident member. Any unexpended or unencumbered private revenues held on a nonfiduciary basis by the MVH at the close of the fiscal year do not lapse to the general fund and must be carried forward into the subsequent fiscal year.

Sec. 509. Not later than January 15 , the MVFA shall provide a report on the construction, operation, and finances of the new Marquette veterans home funded in article 14 of 2022 PA 166.

Sec. 510. Except as otherwise provided by law, any unexpended and unencumbered federal revenues received by the MVFA do not lapse to the state general fund and must be carried forward into the subsequent fiscal year.

Sec. 511. The department, with the approval of the state budget office, is authorized to realign federal revenues sources of the MVFA. This realignment of federal fund sourcing must not produce a gross increase or decrease in the total authorization for the individual MVFA line-item appropriations. The department shall provide a quarterly report to the standard report recipients on actions taken under this section.

CAPITAL OUTLAY

Sec. 601. (1) The department shall provide for the acquisition and disposition of National Guard armories, facilities, and lands as provided under sections 368, 382, and 382a of the Michigan military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

(2) The department shall provide a listing of property sales and acquisitions annually.

Sec. 602. (1) The appropriations for armory maintenance and special maintenance - National Guard must be expended in accordance with the requirements of sections 302 and 305 and must be expended according to the maintenance priorities of the department to repair and modernize military training sites and support facilities, including armories.

(2) Not later than January 15, the department shall provide a report providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at the armories and other National Guard facilities funded from capital outlay appropriations made in part 1 and in previous fiscal years.

Sec. 603. (1) The appropriations for special maintenance – veterans' facility must be expended in accordance with the requirements of section 502 and must be expended according to the maintenance priorities of the MVFA to repair and modernize the state's veterans' facility, which may include physical plant expansions, renovations, or enhancements, and other projects designed to enhance the quality of life and medical care of resident members.

(2) Not later than January 15, the MVH shall provide a report providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at each veterans' facility funded from capital outlay appropriations made in part 1 and in previous fiscal years.

ONE-TIME APPROPRIATIONS

Sec. 701. Funds appropriated in part 1 for Selfridge Air National Guard Base must be used to support costs of complying with air installation compatible use zone program recommendations, including, but not limited to, both of the following:

(a) Capital improvements necessary to shift the runway to the north and repair airfield and non-airfield features of the base and surrounding community impacted by the shift.

(b) Infrastructure projects repairing roadways, vehicle access to the base and museum, stormwater drain and culvert repairs and modernization, force protection features, and airfield features.

Sec. 702. (1) From the funds appropriated in part 1 for veterans nonprofit improvement grants, the MVAA shall create and operate a competitive grant program that provides grants not to exceed $300,000.00 to nonprofit organizations that provide, or assist in providing, services to veterans residing in this state. The MVAA shall award grants to support efforts to improve or upgrade facilities that are owned by the nonprofit organization requesting the grant. Priority must be given to applicants with demonstrable deterioration in infrastructure, as evidenced by facility condition assessments, safety inspection reports, code violations, or deferred maintenance records. Additional priority is given to applicants that can demonstrate increased liability exposure resulting from facility disrepair, including documented legal claims, insurance notices, incident reports, or other evidence of potential harm to staff, residents, or visitors. Further priority shall be given to applicants that serve a higher volume of veterans on an ongoing basis, as demonstrated by program enrollment records, service logs, or other verifiable documentation of veteran engagement. Grant funding must be used to support costs related to improving or upgrading facilities owned by the nonprofit organization requesting the grant.

(2) The MVAA shall require a nonprofit organization requesting a grant described in subsection (1) to submit a grant application. The grant application required under this subsection must include, but is not limited to, an itemized list of the facilities and proposed improvements to those facilities, broken down by the subunit of the nonprofit organization that operates the facilities, if applicable.

(3) From the funds appropriated in part 1 for veterans nonprofit improvement grants, $300,000.00 must be allocated to cover necessary administrative and implementation costs incurred by the MVAA.

(4) Not later than January 15, the MVAA shall provide a report summarizing grant activities for the fiscal year ending September 30, 2026 and shall include the following information for each grant issued under this grant program:

(a) The name of each grant recipient.

(b) The amount of the grant provided.

(c) The street address of each facility for which grant funds were expended under this section.

(d) A brief summary of grant expenditures, broken down by each grant recipient.

(5) As used in this section:

(a) "Facility" means a building or structure and a building's or structure's grounds, approaches, services, and appurtenances that are owned by a nonprofit organization, including, but not limited to, office buildings, recreational structures, garages, warehouses, parking lots, or any other framework or project situated on a parcel owned by a nonprofit organization.

(b) "Nonprofit organization" means a statewide chapter organization that satisfies the requirements to be exempt from taxation under section 501(c)(19) of the internal revenue code of 1986, 26 USC 501.

ARTICLE 13

DEPARTMENT OF NATURAL RESOURCES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of natural resources for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF NATURAL RESOURCES			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	2,509.2		
GROSS APPROPRIATION		**$**	**543,194,300**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			208,100
ADJUSTED GROSS APPROPRIATION		**$**	**542,986,200**
Federal revenues:			
Total federal revenues			100,214,800
Special revenue funds:			
Total local revenues			0
Total private revenues			7,609,200
Total other state restricted revenues			362,152,800
State general fund/general purpose		**$**	**73,009,400**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	149.1		
Unclassified salaries—FTEs	6.0	$	993,600
Accounting service center			1,729,700
Executive direction—FTEs	11.6		2,409,400
Finance and operations—FTEs	112.5		19,646,800
Gifts and pass-through transactions			5,003,600
Legal services—FTEs	4.0		720,000
Minerals management—FTEs	17.0		2,962,900
Natural resources commission			77,100
Office of public lands—FTEs	4.0		1,481,800
Property management			3,573,500
GROSS APPROPRIATION		**$**	**38,598,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, land acquisition services-to-work orders			208,100
Federal revenues:			
Federal funds			833,600
Special revenue funds:			
Private funds			5,003,600
Deer habitat reserve			168,800
Forest development fund			4,736,200
Forest land user charges			8,100
Forest recreation account			55,300
Game and fish protection account			8,540,000
Land exchange facilitation and management fund			4,560,500
Local public recreation facilities fund			229,200
Marine safety fund			901,400
Michigan natural resources trust fund			1,696,400
Michigan state parks endowment fund			4,403,400

			For Fiscal Year Ending Sept. 30, 2026
Nongame wildlife fund		$	14,100
Off-road vehicle safety education fund			700
Off-road vehicle trail improvement fund			323,900
Public use and replacement deed fees			30,600
Recreation improvement account			89,200
Snowmobile registration fee revenue			51,200
Snowmobile trail improvement fund			133,400
Sportsmen against hunger fund			500
State park improvement account			2,237,200
Turkey permit fees			81,200
Waterfowl fees			3,400
Waterways account			942,800
Wildlife resource protection fund			44,800
State general fund/general purpose		**$**	**3,300,800**
Sec. 103. DEPARTMENT INITIATIVES			
Full-time equated classified positions	21.0		
Great Lakes restoration initiative		$	2,904,500
Invasive species prevention and control—FTEs	21.0		5,943,800
GROSS APPROPRIATION		**$**	**8,848,300**
Appropriated from:			
Federal revenues:			
Federal funds			2,904,500
State general fund/general purpose		**$**	**5,943,800**
Sec. 104. COMMUNICATION AND CUSTOMER SERVICES			
Full-time equated classified positions	142.8		
Cultural resource management—FTEs	5.5	$	1,022,600
Marketing and outreach—FTEs	95.3		17,673,400
Michigan historical center—FTEs	42.0		6,838,300
Michigan wildlife council			1,400,000
GROSS APPROPRIATION		**$**	**26,934,300**
Appropriated from:			
Federal revenues:			
Federal funds			3,369,200
State park improvement, federal			322,200
Special revenue funds:			
Forest development fund			176,100
Forest recreation account			18,800
Game and fish protection account			9,202,800
Land exchange facilitation and management fund			52,200
Marine safety fund			40,400
Michigan historical center operations fund			1,219,800
Michigan state parks endowment fund			121,800
Nongame wildlife fund			12,200
Off-road vehicle trail improvement fund			120,200
Recreation passport fees			667,300
Snowmobile registration fee revenue			21,500
Snowmobile trail improvement fund			106,700
Sportsmen against hunger fund			250,000
State park improvement account			4,362,500
Waterways account			166,400
Wildlife management public education fund			1,400,000
Youth hunting and fishing education and outreach fund			45,200
State general fund/general purpose		**$**	**5,259,000**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 105. WILDLIFE MANAGEMENT			
Full-time equated classified positions	210.5		
Natural resources heritage—FTEs	9.0	$	661,800
Wildlife management—FTEs	201.5		47,995,900
GROSS APPROPRIATION		**$**	**48,657,700**
Appropriated from:			
Federal revenues:			
Federal funds			26,642,700
Special revenue funds:			
Private funds			315,700
Cervidae licensing and inspection fees			85,100
Deer habitat reserve			1,824,600
Forest development fund			280,800
Game and fish protection account			13,152,500
Nongame wildlife fund			483,300
Pheasant hunting license fees			175,000
Turkey permit fees			1,099,800
Waterfowl fees			114,100
State general fund/general purpose		**$**	**4,484,100**
Sec. 106. FISHERIES MANAGEMENT			
Full-time equated classified positions	208.5		
Aquatic resource mitigation—FTEs	2.0	$	737,200
Fish production—FTEs	59.0		11,173,300
Fisheries resource management—FTEs	147.5		24,084,200
GROSS APPROPRIATION		**$**	**35,994,700**
Appropriated from:			
Federal revenues:			
Federal funds			12,315,800
Special revenue funds:			
Private funds			136,700
Fisheries settlement			737,100
Game and fish protection account			21,576,600
Invasive species fund			100
State general fund/general purpose		**$**	**1,228,400**
Sec. 107. LAW ENFORCEMENT			
Full-time equated classified positions	298.0		
Body cameras for conservation officers—FTEs	5.0	$	860,700
General law enforcement—FTEs	293.0		55,577,700
GROSS APPROPRIATION		**$**	**56,438,400**
Appropriated from:			
Federal revenues:			
Federal funds			7,065,800
Special revenue funds:			
Cervidae licensing and inspection fees			53,400
Forest development fund			45,400
Forest recreation account			72,800
Game and fish protection account			20,180,300
Marine safety fund			3,034,300
Michigan state parks endowment fund			71,400
Off-road vehicle safety education fund			175,400
Off-road vehicle trail improvement fund			3,837,200
Snowmobile registration fee revenue			726,800
State park improvement account			72,800
Waterways account			21,700
Wildlife resource protection fund			1,176,700
State general fund/general purpose		**$**	**19,904,400**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 108. PARKS AND RECREATION DIVISION			
Full-time equated classified positions	1,092.0		
Forest recreation and trails—FTEs	87.0	$	11,513,600
MacMullan Conference Center—FTEs	15.0		1,267,800
Michigan conservation corps			500,100
Recreational boating—FTEs	182.0		24,547,600
State parks—FTEs	808.0		103,410,300
GROSS APPROPRIATION		**$**	**141,239,400**
Appropriated from:			
Federal revenues:			
Federal funds			144,200
Michigan state waterways fund, federal			2,129,600
Special revenue funds:			
Private funds			428,300
Forest recreation account			6,029,500
MacMullan Conference Center account			1,267,800
Michigan state parks endowment fund			11,496,300
Off-road vehicle safety education fund			8,000
Off-road vehicle trail improvement fund			2,255,300
Pure Michigan trails fund			100
Recreation improvement account			590,700
Recreation passport fees			220,300
Snowmobile registration fee revenue			17,200
Snowmobile trail improvement fund			2,050,000
State park improvement account			87,412,400
State park improvement account - Belle Isle subaccount			875,000
Waterways account			22,444,600
State general fund/general purpose		**$**	**3,870,100**
Sec. 109. MACKINAC ISLAND STATE PARK COMMISSION			
Full-time equated classified positions	17.0		
Historical facilities system—FTEs	13.0	$	1,721,500
Mackinac Island State Park operations—FTEs	4.0		137,800
GROSS APPROPRIATION		**$**	**1,859,300**
Appropriated from:			
Special revenue funds:			
Mackinac Island State Park fund			1,715,700
Mackinac Island State Park operation fund			137,800
State general fund/general purpose		**$**	**5,800**
Sec. 110. FOREST RESOURCES DIVISION			
Full-time equated classified positions	356.5		
Forest management and timber market development—FTEs	219.5	$	50,616,400
Wildfire protection—FTEs	137.0		23,222,200
GROSS APPROPRIATION		**$**	**73,838,600**
Appropriated from:			
Federal revenues:			
Federal funds			6,101,100
Federal national forest timber fund			9,114,700
Special revenue funds:			
Private funds			1,624,900
Commercial forest fund			26,000
Fire equipment fund			668,700
Forest development fund			42,679,300
Forest land user charges			247,500
Game and fish protection account			842,300
Waterways account			55,000
State general fund/general purpose		**$**	**12,479,100**

		For Fiscal Year Ending Sept. 30, 2026
Sec. 111. GRANTS		
Dam management grant program	$	350,000
Deer habitat improvement partnership initiative		200,000
Federal - clean vessel act grants		400,000
Federal - forest stewardship grants		2,000,000
Federal - rural community fire protection		1,050,000
Federal - urban forestry grants		900,000
Fisheries habitat improvement grants		1,250,000
Grants to communities - federal oil, gas, and timber payments		3,450,000
Grants to counties - marine safety		3,074,700
National recreational trails		3,911,600
Nonmotorized trail development and maintenance grants		200,000
Off-road vehicle safety training grants		60,000
Off-road vehicle trail improvement grants		6,340,500
Recreation improvement fund grants		916,800
Recreation passport local grants		2,000,000
Snowmobile law enforcement grants		380,100
Snowmobile local grants program		7,090,400
Trail easements		700,000
Wildlife habitat improvement grants		1,502,500
GROSS APPROPRIATION	**$**	**35,776,600**
Appropriated from:		
Federal revenues:		
Federal funds		13,279,000
Special revenue funds:		
Private funds		100,000
Deer habitat reserve		200,000
Game and fish protection account		2,752,500
Local public recreation facilities fund		2,000,000
Marine safety fund		1,407,300
Off-road vehicle safety education fund		60,000
Off-road vehicle trail improvement fund		6,340,500
Permanent snowmobile trail easement fund		700,000
Recreation improvement account		916,800
Snowmobile registration fee revenue		380,100
Snowmobile trail improvement fund		7,090,400
State general fund/general purpose	**$**	**550,000**
Sec. 112. INFORMATION TECHNOLOGY		
Information technology services and projects	$	10,729,400
GROSS APPROPRIATION	**$**	**10,729,400**
Appropriated from:		
Special revenue funds:		
Commercial forest fund		2,100
Deer habitat reserve		61,600
Forest development fund		1,567,700
Forest land user charges		23,900
Forest recreation account		43,900
Game and fish protection account		3,858,900
Land exchange facilitation and management fund		30,600
Marine safety fund		165,200
Michigan natural resources trust fund		24,600
Michigan state parks endowment fund		1,357,600
Nongame wildlife fund		30,500
Off-road vehicle safety education fund		10,400

			For Fiscal Year Ending Sept. 30, 2026
Off-road vehicle trail improvement fund		$	38,400
Pure Michigan trails fund			100
Recreation improvement account			49,200
Snowmobile registration fee revenue			11,600
Snowmobile trail improvement fund			75,500
Sportsmen against hunger fund			600
State park improvement account			1,516,200
Turkey permit fees			33,800
Waterfowl fees			3,300
Waterways account			507,500
Wildlife resource protection fund			42,100
Youth hunting and fishing education and outreach fund			2,000
State general fund/general purpose		**$**	**1,272,100**
Sec. 113. CAPITAL OUTLAY (1) RECREATIONAL LANDS AND INFRASTRUCTURE			
Federal - land and water conservation fund payments		$	12,900,000
Off-road vehicle trail development and maintenance			3,000,000
Snowmobile trail development and maintenance			1,000,000
State game and wildlife area infrastructure			1,500,000
State parks repair and maintenance			21,200,000
Wetland restoration, enhancement, and acquisition			1,000,000
GROSS APPROPRIATION		**$**	**40,600,000**
Appropriated from:			
Federal revenues:			
Federal funds			14,025,000
Special revenue funds:			
Game and fish protection account			375,000
Michigan state parks endowment fund			4,600,000
Off-road vehicle trail improvement fund			3,000,000
Recreation passport fees			15,100,000
Snowmobile trail improvement fund			1,000,000
State general fund/general purpose		**$**	**2,500,000**
(2) WATERWAYS BOATING PROGRAM			
Local boating infrastructure maintenance and improvements		$	3,400,000
State boating infrastructure maintenance			8,067,400
GROSS APPROPRIATION		**$**	**11,467,400**
Appropriated from:			
Federal revenues:			
Federal funds			1,667,400
Michigan state waterways fund, federal			300,000
Special revenue funds:			
Waterways account			9,500,000
State general fund/general purpose		**$**	**0**
Sec. 114. ONE-TIME APPROPRIATIONS			
Full-time equated classified positions	13.8		
Elberta waterfront community conservation project		$	1,750,000
Fish production one-time			2,800,000
Ice storm wildfire protection			2,000,000
Nature awaits one-time—FTEs	13.8		2,011,800
Reforestation			2,200,000
Removal and repair of high-hazard dams			1,450,000
GROSS APPROPRIATION		**$**	**12,211,800**
Appropriated from:			
State general fund/general purpose		**$**	**12,211,800**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending from state sources under part 1 is $435,162,200.00 and total state spending under part 1 from state sources to be paid to local units of government is $10,596,800.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES		
Dam management grant program	$	175,000
Fisheries habitat improvement grants		125,000
Grants to counties – marine safety		1,407,300
Invasive species prevention and control		2,385,200
Local boating infrastructure maintenance and improvements		3,400,000
Nonmotorized trail development and maintenance grants		100,000
Off-road vehicle safety training grants		60,000
Off-road vehicle trail improvement grants		1,204,400
Recreation improvement fund grants		916,800
Recreation passport local grants		2,000,000
Snowmobile law enforcement grants		380,100
Wildlife habitat improvement grants		150,300
TOTAL	**$**	**10,596,800**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of natural resources.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

(e) "Standard report recipients" means the senate appropriations subcommittee on agriculture and natural resources, the house appropriations subcommittee on agriculture and rural development and natural resources, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this part, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 208. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on the estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and the chairpersons of the senate and house appropriations committees.

Sec. 213. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of the local health officer.

Sec. 214. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises 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 geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 215. On a quarterly basis, the department or agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and the standard report recipients.

Sec. 216. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 217. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 218. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act number. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 219. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 220. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 222. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 223. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $30,101,500.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $27,149,700.00. Total department appropriations for retiree health care legacy costs are estimated at $2,951,800.00.

Sec. 225. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 226. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 227. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 228. Not later than November 15, the department must disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount and source of funding received, the purpose for which funding was expended, and the amount of any remaining funds, if any. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 229. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 230. (1) In addition to the money appropriated in part 1, there is appropriated, from the following state restricted funds and accounts of the Michigan conservation and recreation legacy fund, the following amounts to the following departments and officers:

(a) Department of technology, management, and budget:

Game and fish protection account	$	659,600
Waterways account		177,200
State park improvement account		158,300
Forest development fund		354,600

(b) Department of attorney general:

Game and fish protection account	$	687,600
Waterways account		13,900

(c) Legislative auditor general:

Game and fish protection account	$	38,600
Waterways account		13,900

(d) Department of treasury:

Game and fish protection account	$	3,621,700
Waterways account		486,800
Michigan natural resources trust fund		3,289,700

(2) In addition to the money appropriated in part 1, there is appropriated from the following state restricted funds to the civil service commission the amount calculated for each fund pursuant to section 5 of article XI of the state constitution of 1963:

(a) Michigan conservation and recreation legacy fund.

(b) Forest development fund.

(c) Michigan natural resources trust fund.

(d) Michigan state parks endowment fund.

(e) Michigan nongame fish and wildlife trust fund.

Sec. 231. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the Michigan game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, $6,000,000.00 for the fiscal year ending September 30, 2026.

Sec. 232. The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1. As used in this section, contracts and grants include, but are not limited to, contracts and grants for research, wildlife and fisheries management, forest management, invasive species monitoring and control, and natural-resource-related programs.

Sec. 233. (1) The department may accept monetary and nonmonetary gifts, bequests, donations, contributions, or grants from any private or public source to support, in whole or in part, a departmental function or program. The department shall expend or use such gifts, bequests, donations, contributions, or grants for the purposes designated by the private or public source, if the purpose is specified.

(2) Amounts remaining from revenue collected by the department under this section that are unexpended and unencumbered must not lapse to the general fund but must be carried forward to the subsequent fiscal year.

Sec. 234. Funds appropriated in part 1 must not be expended for utility scale solar or wind development projects.

COMMUNICATION AND CUSTOMER SERVICES

Sec. 240. (1) In addition to supporting the existing archeological responsibilities of the department within the Michigan History Center, the funds appropriated in part 1 for cultural resource management and cultural resource management one-time shall be utilized to establish an ongoing process of increased consultation with known lineal descendants and officials of Native American tribes on whose aboriginal lands a planned archeological activity will occur or an inadvertent discovery has been made. The consultation shall address the identification, treatment, and disposition of Native American cultural items.

(2) The department is encouraged to, whenever possible, repatriate or transfer from its collections Native American cultural items, including human remains, funerary objects, sacred objects, and objects of cultural patrimony, to the lineal descendants and to Native American tribes described in subsection (1).

DEPARTMENT INITIATIVES

Sec. 251. From the amounts appropriated in part 1 for invasive species prevention and control, the department shall allocate not less than $2,400,000.00 for grants for the prevention, detection, eradication, and control of invasive species.

Sec. 252. (1) In addition to the funds appropriated in part 1, revenue deposited in the invasive species fund created in section 41311 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.41311, is appropriated and may be expended for invasive species immediate response efforts.

(2) The department shall annually notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of any expenditure of funds appropriated under subsection (1).

Sec. 253. The department shall not utilize any funding in part 1 on legal services against hunting operations concerning swine.

Sec. 254. The department shall not prohibit an individual from feeding birds or wildlife within 300 feet of a residence if feed quantity totals less than 2 gallons.

Sec. 255. State lands managed by the department shall be identified as department-managed public lands or publicly owned lands.

Sec. 256. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $30,000,000.00 for state restricted contingency authorization if legislation is enacted to address the negative impact of inflation on the purchasing power of hunting and fishing license sales revenue. Amounts appropriated under this section are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 257. The department shall prioritize right-of-way permits or easements for construction or maintenance of broadband facilities on state land and shall not require a centerline survey as a condition of the road right-of-way permit or easement if the applicant can provide detailed engineering plans and if the broadband facilities are contained completely in the right-of-way. If the broadband provider secures a road right-of-way permit to construct or maintain broadband facilities required by the municipal, county, or state entity that owns or controls the public road, the department shall not require the broadband provider to obtain a permit or easement if the broadband facility is contained completely within the road right-of-way. If installation of broadband facilities cannot be contained completely within the right-of-way and requires placement of the infrastructure on public lands, an easement will be required, and a certified survey may be required. If installation of broadband facilities being placed in the road right-of-way requires utilization of public lands, a permit may be required.

DEPARTMENT SUPPORT SERVICES

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2026, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to fund the land acquisition service charges provided for in part 1.

Sec. 303. As appropriated in part 1, the department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2165. To the extent consistent with part 21, fees shall be set by the director at a rate that allows the department to recover its costs for providing these services.

Sec. 304. In addition to the funds appropriated in part 1, the department may receive and expend money from state restricted sources to pay vendor costs associated with administering sales of carbon offset credits.

COMMUNICATION AND CUSTOMER SERVICES

Sec. 408. By December 1, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the natural resources commission in the prior fiscal year. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

FISHERIES MANAGEMENT

Sec. 501. Funds appropriated in part 1 for fisheries resource management must not be used to designate the Little Manistee River as a natural river, as defined in part 305 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30501 to 324.30515.

PARKS AND RECREATION DIVISION

Sec. 701. The department must provide the choice to opt in to purchasing a recreation passport.

FOREST RESOURCES DIVISION

Sec. 802. From the funds appropriated in part 1, the department shall, by January 1, prepare and submit to the senate appropriations subcommittee on agriculture and natural resources, the house appropriations subcommittee on agriculture and rural development and natural resources, and the standing committees of the senate and house with primary responsibility for natural resources issues a report on all of the following:

(a) The number of acres of state forestland prepared for timber harvesting in the prior fiscal year.

(b) The number of acres of state forestland timber sold in the prior fiscal year.

(c) The amount of revenue generated by the timber sale and harvesting of state land in the prior fiscal year.

Sec. 803. In addition to the money appropriated in part 1, the department may receive and expend money from federal sources to provide response to wildfires and hazard incidents as required by a compact with the federal government. If additional expenditure authorization is required, the department shall so notify the state budget office. The department shall notify the senate appropriations subcommittee on agriculture and natural resources, the house appropriations subcommittees subcommittee on agriculture and rural development and natural resources, and the house and senate fiscal agencies by November 15 of the expenditures under this section during the prior fiscal year.

Sec. 807. (1) In addition to the funds appropriated in part 1, there is appropriated from the disaster and emergency contingency fund up to $800,000.00 to cover department costs related to any disaster as defined in section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

(2) Funds appropriated under subsection (1) shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations. By December 1 each year, the department shall provide a report to the senate and house fiscal agencies and the state budget office on the use of the disaster and emergency contingency fund during the prior fiscal year.

(3) If Federal Emergency Management Agency (FEMA) reimbursement is approved for costs paid from the disaster and emergency contingency fund, the federal revenue shall be deposited into the disaster and emergency contingency fund.

GRANTS

Sec. 1001. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, the department shall report to the senate appropriations subcommittee on agriculture and natural resources, the house appropriations subcommittee on agriculture and rural development and natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the prior fiscal year.

CAPITAL OUTLAY

Sec. 1103. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

ONE-TIME APPROPRIATIONS

Sec. 1201. The unexpended funds appropriated in part 1 for ice storm wildfire protection are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for the project under this section 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 fire suppression resources for Michigan due to increased fire risk from the northern Michigan ice storm.

(b) The project will be accomplished by utilizing state employees, contracts, or both.

(c) The total estimated cost of the project is $2,000,000.00.

(d) The tentative completion date is September 30, 2029.

Sec. 1202. The unexpended funds appropriated in part 1 for reforestation are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for the project under this section 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 for the reforestation of state forest lands impacted by the northern Michigan ice storm.

(b) The project will be accomplished by utilizing state employees, contracts, or both.

(c) The total estimated cost of the project is $2,200,000.00.

(d) The tentative completion date is September 30, 2029.

ARTICLE 14

DEPARTMENT OF STATE POLICE

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of state police for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF STATE POLICE			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	7.0		
Full-time equated classified positions	3,569.0		
GROSS APPROPRIATION		**$**	**964,186,600**

			For Fiscal Year Ending Sept. 30, 2026
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers		$	29,030,200
ADJUSTED GROSS APPROPRIATION		**$**	**935,156,400**
Federal revenues:			
Total federal revenues			101,314,700
Special revenue funds:			
Total local revenues			5,035,600
Total private revenues			35,000
Total other state restricted revenues			190,336,000
State general fund/general purpose		**$**	**638,435,100**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	7.0		
Full-time equated classified positions	124.0		
Unclassified salaries—FTEs	7.0	$	1,338,200
Department services—FTEs	39.0		10,133,000
Departmentwide			48,324,700
Executive direction—FTEs	46.0		8,950,000
Mobile office and system support—FTEs	39.0		7,437,400
GROSS APPROPRIATION		**$**	**76,183,300**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of transportation, state trunkline fund			41,100
IDG from department of treasury, casino gaming fees			423,700
IDG, training academy charges			207,700
IDT, auto theft funds			1,500
IDT, truck safety funds			54,700
Federal revenues:			
DHS			32,400
DOJ			12,800
DOJ, interest bearing			9,900
DOT			262,600
Federal indirect funds			2,516,300
Special revenue funds:			
Local funds - AFIS fees			100
Local funds - LEIN fees			800
Local funds - reimbursed services			300
Local funds - school bus revenue			7,200
Auto theft prevention fund			31,200
Criminal justice information center service fees			2,703,500
Drunk driving prevention and training fund			3,200
Forensic science reimbursement fees			52,000
Hazardous materials training center fees			50,900
Highway safety fund			268,600
Marihuana regulatory fund			267,400
Michigan justice training fund			3,700
Michigan merit award trust fund			16,500
Motor carrier fees			355,700
Narcotics-related forfeiture revenue			400
Nuclear plant emergency planning reimbursement			23,900
Precision driving track fees			800
Reimbursed services			300
Secondary road patrol and training fund			100
Sex offenders registration fund			800
State forensic laboratory fund			90,400

			For Fiscal Year Ending Sept. 30, 2026
State police administrator and coordinator 911 fund		$	25,800
State police service fees			400
State services fee fund			216,300
Tobacco tax revenue			117,300
Traffic law enforcement and safety fund			498,600
Truck driver safety fund			1,600
Vehicle sales proceeds			650,000
State general fund/general purpose		**$**	**67,232,800**
Sec. 103. LAW ENFORCEMENT SERVICES			
Full-time equated classified positions	622.0		
Biometrics and identification—FTEs	60.0	$	12,267,700
Criminal justice information center—FTEs	154.0		29,906,500
Forensic science—FTEs	281.0		51,715,800
Grants and community services—FTEs	46.0		24,775,500
Office of school safety—FTEs	6.0		1,392,800
State 911 administration—FTEs	5.0		1,150,500
Training operations—FTEs	70.0		16,507,300
GROSS APPROPRIATION		**$**	**137,716,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of state			418,900
IDG from department of transportation, state trunkline fund			776,400
IDG, training academy charges			2,827,300
Intradepartmental transfers			750,000
Federal revenues:			
DOJ			15,284,900
DOJ, interest bearing			4,018,100
DOT			2,659,600
Special revenue funds:			
Local funds - SRMS fees			919,200
Private donations			20,000
Auto theft prevention fund			9,008,800
Criminal justice information center service fees			25,604,000
Drunk driving prevention and training fund			670,100
Forensic science reimbursement fees			1,023,700
Motor carrier fees			145,600
Precision driving track fees			346,900
Sex offenders registration fund			396,100
State forensic laboratory fund			767,600
State police administrator and coordinator 911 fund			1,150,500
State services fee fund			8,335,900
Student safety fund			250,000
Traffic crash revenue			588,300
State general fund/general purpose		**$**	**61,754,200**
Sec. 104. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS			
Full-time equated classified positions	27.0		
In-service training—FTEs	7.0		13,271,100
Justice training grants			10,000,000
Public safety officers benefit fund—FTE	1.0		303,000
Standards and training—FTEs	19.0		4,060,800
Training only to local units			855,000
GROSS APPROPRIATION		**$**	**28,489,900**
Appropriated from:			
Federal revenues:			
DOJ			280,200

			For Fiscal Year Ending Sept. 30, 2026
Special revenue funds:			
Law enforcement officers training fund		$	25,300
Marihuana regulatory fund			3,390,100
Michigan justice training fund			10,000,000
Private security licensing fees			5,000
Retired law enforcement officer safety fund			25,000
Secondary road patrol and training fund			855,000
State general fund/general purpose		**$**	**13,909,300**
Sec. 105. FIELD SERVICES			
Full-time equated classified positions	2,153.0		
Investigative services—FTEs	148.5	$	44,262,500
Post operations—FTEs	2,004.5		468,866,700
GROSS APPROPRIATION		**$**	**513,129,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of transportation, state trunkline fund			2,100
IDG from department of treasury, casino gaming fees			6,907,500
IDT, auto theft funds			1,163,200
Federal revenues:			
DOJ			4,689,000
DOT			2,152,000
Forfeiture revenue			544,100
Reimbursed services, federal investigations			4,077,500
Special revenue funds:			
Local funds - reimbursed services			1,259,000
Bottle bill enforcement fund			786,100
Highway safety fund			10,524,700
Marihuana regulation fund			3,447,000
Marihuana regulatory fund			2,703,400
Michigan merit award trust fund			866,400
Narcotics-related forfeiture revenue			1,548,400
Nonnarcotic forfeiture revenue			50,600
Rental of department aircraft			900
State police service fees			6,444,000
State services fee fund			1,028,600
Tobacco tax revenue			5,687,900
Traffic law enforcement and safety fund			36,164,200
Trooper school recruitment fund			5,073,900
State general fund/general purpose		**$**	**418,008,700**
Sec. 106. SPECIALIZED SERVICES			
Full-time equated classified positions	643.0		
Commercial vehicle enforcement—FTEs	211.0	$	40,483,400
Emergency management and homeland security—FTEs	64.0		17,399,800
Hazardous materials programs—FTEs	25.0		23,675,000
Highway safety planning—FTEs	25.0		20,554,000
Intelligence operations—FTEs	229.0		36,790,200
Secondary road patrol program—FTE	1.0		15,008,600
Special operations—FTEs	88.0		21,909,500
GROSS APPROPRIATION		**$**	**175,820,500**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of transportation, state trunkline fund			12,761,100
IDG from department of treasury, public safety answer point training 911 fund			100,000
Intradepartmental transfers			2,074,300

		For Fiscal Year Ending Sept. 30, 2026
Federal revenues:		
DHS	$	32,287,700
DOT		31,527,200
Special revenue funds:		
Local funds - school bus revenue		1,897,300
Private donations		15,000
Bottle bill enforcement fund		230,000
Criminal justice information center service fees		472,200
Hazardous materials training center fees		749,700
Marihuana regulation fund		257,100
Marihuana regulatory fund		390,000
Motor carrier fees		9,202,900
Nuclear plant emergency planning reimbursement		2,448,800
Reimbursed services		1,855,100
Rental of department aircraft		51,500
Secondary road patrol and training fund		15,008,600
State police dispatch operator 911 fund		681,900
Truck driver safety fund		3,976,100
State general fund/general purpose	**$**	**59,834,000**
Sec. 107. INFORMATION TECHNOLOGY		
Information technology services and projects	$	30,347,600
GROSS APPROPRIATION	**$**	**30,347,600**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of transportation, state trunkline fund		364,700
IDG from department of treasury, casino gaming fees		122,800
IDG, training academy charges		11,500
Intradepartmental transfers		21,700
Federal revenues:		
DHS		119,400
DOJ		580,400
DOT		260,600
Special revenue funds:		
Local funds - AFIS fees		80,000
Local funds - LEIN fees		851,300
Local funds - school bus revenue		20,400
Auto theft prevention fund		6,200
Criminal justice information center service fees		10,439,900
Drunk driving prevention and training fund		3,600
Forensic science reimbursement fees		76,500
Highway safety fund		92,400
Marihuana regulatory fund		773,700
Michigan merit award trust fund		3,400
Motor carrier fees		420,500
Nuclear plant emergency planning reimbursement		12,800
Sex offenders registration fund		228,400
State forensic laboratory fund		113,000
State police administrator and coordinator 911 fund		7,200
State police dispatch operator 911 fund		68,900
State services fee fund		84,400
Tobacco tax revenue		21,400
Traffic crash revenue		246,900
Traffic law enforcement and safety fund		119,500
State general fund/general purpose	**$**	**15,196,100**

		For Fiscal Year Ending Sept. 30, 2026
Sec. 108. ONE-TIME APPROPRIATIONS		
Cold case investigations	$	600,000
Law enforcement training for communicating with limited English speaking communities and those deaf and hard of hearing		500,000
Michigan public safety critical incident mapping grant		400,000
Trooper recruit schools		1,000,000
GROSS APPROPRIATION	**$**	**2,500,000**
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	**$**	**2,500,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $828,771,100.00 and total state spending under part 1 from state sources to be paid to local units of government is $37,371,900.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE POLICE		
In-service training	$	10,616,900
Justice training grants		10,000,000
Law enforcement communication training		500,000
Michigan public safety critical incident mapping grant		400,000
Secondary road patrol program		15,000,000
Training only to local units		855,000
TOTAL	**$**	**37,371,900**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "AFIS" means the automated fingerprint identification system.

(b) "CJIS" means Criminal Justice Information Systems.

(c) "Department" means the department of state police.

(d) "DHS" means the United States Department of Homeland Security.

(e) "Director" means the director of the department.

(f) "DNA" means deoxyribonucleic acid.

(g) "DOJ" means the United States Department of Justice.

(h) "DOT" means the United States Department of Transportation.

(i) "FTE" means full-time equated position in the classified service of this state.

(j) "IDG" means interdepartmental grant.

(k) "LEIN" means the law enforcement information network.

(*l*) "MCOLES" means the Michigan commission on law enforcement standards created in section 3 of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.603.

(m) "SIGMA" means the statewide integrated governmental management application.

(n) "SRMS" means the state records management system.

(o) "Standard report recipients" means the senate and house appropriations subcommittees on state police, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The report must list all travel by classified and unclassified employees outside this state in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department or agency shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportion funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 208. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $4,000,000.00 for state restricted contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 213. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 214. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure that geographically disadvantaged business enterprises 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 geographically disadvantaged business enterprises for services or supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-01.

Sec. 215. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80.0 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 216. On a quarterly basis, the department or agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 217. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 218. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 219. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 221. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $170,365,800.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $130,016,600.00. Total appropriations for retiree health care legacy costs for the department are estimated at $40,349,200.00.

Sec. 225. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 226. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 227. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. The department shall submit a biannual report on the performance metrics cited or information required to be reported in this part, reasons for nonachievement of metric targets, and proposed corrective actions.

Sec. 229. (1) It is the intent of the legislature that the department shall take all steps necessary to protect the data and privacy of citizens who are not the focus of a departmental investigation and to protect personal information from unauthorized access or misuse. The protection required under this subsection includes, but is not limited to, all of the following:

(a) Requiring vendors or service providers to protect data shared with them.

(b) Ensuring that when personal data is collected, but no longer utilized by the department, that reasonable steps be taken to securely destroy records containing personal information when it is to be discarded so that the information is rendered indecipherable and is not sold for marketing or other purposes.

(2) The department shall provide written notification to any data subject whose sensitive personal information is accessed or acquired by an unauthorized person.

Sec. 230. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 231. (1) The department may accept monetary and nonmonetary gifts, bequests, donations, contributions, or grants from any private or public source to support, in whole or in part, a departmental function or program. The department shall expend or use the gifts, bequests, donations, contributions, or grants accepted under this subsection for the purposes designated by the private or public source, if the purpose is specified.

(2) Revenue collected by the department under this section that is unexpended and unencumbered must not lapse to the general fund but must be carried forward to the subsequent fiscal year.

(3) Private revenues received under this section that exceed the appropriations in part 1 are appropriated and may be received and expended by the department for the purposes for which the funds are received.

(4) If additional authorization is approved in SIGMA by the state budget office under this section, the department shall notify the senate and house appropriations subcommittees on state police and the senate and house fiscal agencies within 10 days after the approval. The notification must include the amount and funding source of the additional authorization, the date of the approval, and the projected use of the funds to be expended.

Sec. 232. (1) Federal revenues authorized by and available from the federal government in excess of the appropriations in part 1 are appropriated and may be received and expended by the department for purposes authorized under state law and subject to federal requirements. The total amount of federal revenues that may be received and expended under this section and section 704(3) must not exceed $750,000,000.00.

(2) The department shall notify the standard report recipients before expending federal revenues received and appropriated under subsection (1).

(3) If additional authorization is approved in SIGMA by the state budget office under this section, the department shall notify the senate and house appropriations subcommittees on state police and the senate and house fiscal agencies within 10 days after the approval. The notification must include the amount and funding source of the additional authorization, the date of its approval, and the projected use of the funds to be expended.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. The department shall notify the standard report recipients when it recommends to close or consolidate any state police post. The notification must include a local and state impact study of the proposed post closure or consolidation.

Sec. 302. If the department presents a plan to the state employer to privatize, the department shall submit a complete project plan to the standard report recipients. The plan must include the criteria under which the privatization initiative will be evaluated. The evaluation must be completed and submitted to the standard report recipients within 30 months.

Sec. 303. (1) 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.

(2) The department shall define service cost models for those services requiring reimbursement.

(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. All costs incurred in providing the services are eligible for reimbursement.

(4) This section does not apply to services provided to state agencies.

(5) Revenues received for contractual or reimbursed services in excess of the appropriations in part 1 are appropriated and may be received and expended by the department for the purposes for which the funds are received.

(6) If additional authorization is approved in SIGMA by the state budget office under this section, the department shall notify the senate and house appropriations subcommittees on state police and the senate and house fiscal agencies within 10 days after the approval. The notification must include the amount and funding source of the additional authorization, the date of its approval, and the projected use of the funds to be expended.

Sec. 304. The department may establish and collect fees for publications, videos, conferences, workshops, and related materials. Fees collected under this section must be used to offset expenditures for costs of the publications, videos, workshops, conferences, and related materials. The department shall not collect fees under this section that exceed the cost of the expenditures.

Sec. 305. A law enforcement officer funded under part 1 shall not be required to issue a predetermined or specified number of citations for violations of the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, or of a local ordinance that substantially corresponds to the provisions of the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, including parking or standing violations. A law enforcement officer's performance evaluation system must not require a predetermined or specified number of citations to be issued.

Sec. 306. From the funds appropriated in part 1, the director shall establish and maintain local headquarters in various places, and may do so by agreement, lease, or otherwise, as provided under section 7 of 1935 PA 59, MCL 28.7.

LAW ENFORCEMENT SERVICES

Sec. 401. (1) The department shall develop and deliver professional, innovative, and quality training that supports the enforcement and public safety efforts of the criminal justice community.

(2) The department shall provide performance data, as provided under section 228, for days of training being conducted by the academy.

(3) From the funds appropriated in part 1 for training operations, the department may provide or obtain the following training:

(a) Training that directly relates to the individual's job description and role within the department.

(b) Professional development training.

(c) Training that provides the individual with the ability to seek expanded opportunities within the department.

(d) Advanced education training.

(4) Not later than January 1, the department shall submit a report to the standard report recipients and to the senate and house appropriations committees that includes the following information about the funds appropriated in part 1 for training operations:

(a) The training courses that the department's employees completed.

(b) If a training course is developed by the department, a description of that course's curriculum and its purpose.

(c) The number of the department's employees who have received and completed training pursuant to this section.

(5) The department shall distribute and review course evaluations to ensure that quality training is provided.

Sec. 402. (1) In accordance with applicable state and federal laws and regulations, the department shall maintain and ensure compliance with CJIS databases and applications in the support of public safety and law enforcement communities.

(2) The department shall improve the accuracy, timeliness, and completeness of criminal history information by conducting a minimum of 30 outreach activities targeted to criminal justice agencies. The department shall report the number of these outreach activities conducted, as provided under section 228.

(3) The department shall provide for the compilation of crime statistics consistent with the uniform crime reporting (UCR) program and the national incident-based report system (NIBRS).

(4) The department shall provide for the compilation and evaluation of traffic crash reports and the maintenance of the state accident data collection system.

(5) The department shall make individual traffic crash reports available for a fee of $15.00 per incident. The department may also sell an extract of electronic traffic crash data for a fee of $0.25 per incident, provided that the name, address, and any other personal identifying information have been excluded.

(6) By March 1, the department shall submit a report to the standard report recipients detailing the number of traffic crash reports provided, the amount of revenue collected, and all expenditures incurred for activities under subsection (5) in the preceding fiscal year. The report must include an analysis of whether revenue from department activities under subsection (5) is sufficient to offset all costs incurred for those activities and must provide information regarding any deficit or surplus of revenue.

(7) In accordance with applicable state and federal laws and regulations, the department shall provide for the maintenance and dissemination of criminal history records and juvenile records, including to the extent necessary to exchange criminal history records information with the Federal Bureau of Investigation and other states through the interstate identification index, the National Crime Information Center, and other federal CJIS databases and indices.

(8) The department shall, in accordance with applicable state and federal laws, provide for the maintenance of records, including criminal history records regarding firearms licensure, as provided under 1927 PA 372, MCL 28.421 to 28.435.

(9) The department shall provide information on the number of background checks processed through the internet criminal history access tool (ICHAT), as provided in section 228.

(10) The following unexpended and unencumbered revenues deposited into the criminal justice information center service fees must not lapse to the general fund, but must be carried forward into the subsequent fiscal year:

(a) Fees for fingerprinting and criminal record checks and name-based criminal record checks under 1935 PA 120, MCL 28.271 to 28.274.

(b) Fees for application and licensing for initial and renewal concealed pistol licenses under 1927 PA 372, MCL 28.421 to 28.435.

(c) Fees for searching, copying, and providing public records under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(d) Revenue from other sources, including, but not limited to, investment and interest earnings.

(11) Unexpended and unencumbered revenue generated by state records management system fees must not lapse to the general fund, but must be carried forward into the subsequent fiscal year.

Sec. 403. (1) The department shall provide forensic testing and analysis/profiling of DNA evidence to aid in law enforcement investigations in this state.

(2) The department shall ensure its ability to maintain accreditation by a federally designated accrediting agency, as provided under 34 USC 12592.

(3) The department shall provide forensic science services with an average turnaround time of 55 days, assuming an annual caseload volume commensurate with the average annual caseload received by the forensic science division during the preceding 5 fiscal years, and shall work to achieve a goal of a 30-day average turnaround time across all forensic science disciplines.

(4) The department shall provide the following data as provided in section 228:

(a) The average turnaround time for processing forensic evidence across all disciplines.

(b) Forensic laboratory staffing levels, including scientists in training, and vacancies.

(c) The number of backlogged cases in each discipline.

Sec. 404. (1) The biometrics and identification division shall maintain and manage the automated biometric identification system, statewide network of agency photographs, and combined offender DNA index system biometric databases.

(2) The department shall provide data on the number of 10-print and palm-print submissions to the database, as provided in section 228.

(3) The department shall maintain the staffing and resources necessary to have a 28-day average wait time for scheduling a polygraph examination, assuming an annual caseload received commensurate with the average annual caseload received during the preceding 5 fiscal years, with a goal of achieving a 15-day average wait time.

(4) If changes are made to the department's protocol for retaining and purging DNA analysis samples and records, the department shall post a copy of the protocol changes on the department's website.

Sec. 405. Not later than December 1, the department shall submit a report to the standard report recipients that includes, but is not limited to, all of the following information:

(a) Sexual assault kit analysis backlog at the beginning of the previous fiscal year.

(b) The number of sexual assault kits collected or submitted for analysis during the previous fiscal year.

(c) The number of sexual assault kits analyzed and the number of associated DNA profiles created and uploaded during the previous fiscal year.

(d) Sexual assault kit analysis backlog at the end of the previous fiscal year.

(e) The average turnaround time to analyze sexual assault kits and to create and upload associated DNA profiles for the previous fiscal year.

Sec. 406. The department shall provide administrative support for the following grant and community service programs:

(a) The operations of the automobile theft prevention authority.

(b) Administration of the Edward Byrne memorial justice assistance program and other grant programs, including the department's community policing efforts.

(c) Administration of the office of school safety.

(d) Administration and outreach of the OK2SAY program.

Sec. 407. Not later than March 30, the office of school safety shall provide a school safety report to the legislature and the senate and house fiscal agencies that must include reports of all of the following:

(a) The incidents of school violence or threats reported to the state police by local law enforcement or local school districts, or received through the Michigan incident crime report (MICR).

(b) OK2SAY-based incidences and activities.

(c) Based upon an evaluation of school safety incidents, recommendations on best practices and other safety measures to ensure school safety in this state.

Sec. 408. (1) The department shall make an organized, strategic effort to recruit, onboard, train, and outfit trooper school candidates and other new employees using the funds appropriated in part 1.

(2) The department shall submit a report to the standard report recipients within 60 days of the conclusion of any trooper, motor carrier, or state properties security recruit school. The report must include all of the following:

(a) The number of veterans and the number of MCOLES-certified police officers who were admitted to and the number who graduated from the recruit school.

(b) The total number of recruits who were admitted to the recruit school, the number of recruits who graduated from the recruit school, and the location at which each of these recruits is assigned.

(3) The department may use the funds appropriated in part 1 that represent attrition savings to offset the cost of recruiting efforts described under subsection (1).

(4) The unexpended and unencumbered general fund/general purpose funds appropriated in part 1 for training operations must not lapse to the general fund at the end of the fiscal year but must be deposited into the trooper recruit school fund created under section 819b of the Michigan vehicle code, 1949 PA 300, MCL 257.819b.

Sec. 409. (1) From the funds appropriated in part 1, the department shall, in collaboration with the department of civil rights and MCOLES, provide the following training to local police departments or officers free of charge:

(a) Diversity and cultural awareness and competency.

(b) Conflict management.

(c) Use of force on vulnerable individuals, including children, individuals with disabilities, individuals with unmet mental health needs, individuals under the influence of substances, and pregnant individuals.

(d) Mental health and wellness for law enforcement officers.

(2) The training provided under subsection (1) may be offered online in order to facilitate easy access and may be given by department staff, contractors, or external vendors.

(3) On a quarterly basis, the department shall submit a report to the standard report recipients on the number of officers, by police department, that received training under this section.

Sec. 410. The department, in collaboration with the department of health and human services and the department of education, shall advise on initiatives in schools and other educational organizations that include, but are not limited to, training for educators, teachers, and other personnel in school settings for all of the following:

(a) Utilization of trauma-informed practices.

(b) Age-appropriate education and information on human trafficking.

(c) Age-appropriate education and information on sexual abuse prevention.

Sec. 411. Based on the availability of federal funding and demonstrated need, as indicated by applications submitted to the state court administrative office, the department shall provide $1,500,000.00 in Byrne justice assistance grant program funding to the judiciary by interdepartmental grant.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 501. (1) MCOLES shall establish standards for the selection, employment, training, education, licensing, and licensure revocation of all law enforcement officers and provide the basic law enforcement training curriculum for law enforcement training academy programs statewide.

(2) MCOLES shall maintain staffing and resources necessary to update law enforcement standards within 120 days of the enactment date of any new public acts that affect MCOLES.

(3) From the funds appropriated in part 1, MCOLES, by March 1, shall submit a report to the standard report recipients that includes a summary of MCOLES activities during the prior calendar year. The report required under this subsection must include, but is not limited to, both of the following:

(a) An account of the distribution of training funds administered by MCOLES.

(b) A list of recipients that received training funds under subdivision (a) and the amount received by each recipient and for what purpose it was used.

Sec. 502. The general fund/general purpose funds appropriated in part 1 for public safety officers benefit fund must be deposited into the public safety officers benefit fund created in section 3 of the public safety officers benefit act, 2004 PA 46, MCL 28.633. The general fund/general purpose funds appropriated in part 1 for public safety officers benefit fund and deposited into the public safety officers benefit fund in accordance with section 3 of the public safety officers benefit act, 2004 PA 46, MCL 28.633, and this section must be used to increase the $25,000.00 benefit payment made to a recipient who dies or is permanently and totally disabled during the fiscal year under section 4 of the public safety officers benefit act, 2004 PA 46, MCL 28.634, to $50,000.00. All funds in the public safety officers benefit fund are appropriated and available for expenditure in accordance with section 3 of the public safety officers benefit act, 2004 PA 46, MCL 28.633.

Sec. 503. Funds appropriated in part 1 for in-service training must be deposited into the law enforcement officers training fund created in section 11(7) of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.611. All funds in the law enforcement officers training fund are appropriated and available for expenditure to support the implementation of required annual in-service training standards for all licensed law enforcement officers, in accordance with rules promulgated under section 11(2) of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.611.

FIELD SERVICES

Sec. 601. (1) Department 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, are not prohibited from responding to crimes in progress or other emergency situations and are responsible for making every effort to protect all residents of this state.

(2) The department shall maintain the staffing and resources necessary to continually work to enhance traffic safety throughout this state and shall dedicate a minimum of 455,200 hours to statewide patrol. The department shall work to improve public safety efforts within distressed cities by enhancing data analysis capabilities and identifying crime trends and areas with high occurrence of crime.

(3) The department shall report on the number of residence checks of registered sex offenders conducted, as provided under section 228.

Sec. 602. (1) The department shall identify and apprehend criminals through criminal investigations in this state.

(2) The department shall maintain the staffing and resources necessary to provide a comparable number of hours investigating crimes as the average annual number provided during the preceding 5 fiscal years.

(3) The department shall maintain the staffing and resources necessary to annually meet or exceed a case clearance rate of 62%.

(4) The department shall provide training opportunities to local law enforcement partners with the goal of increasing their knowledge of gambling laws, legal issues, opioid-related investigations, and other emerging law enforcement issues.

(5) The department shall maintain the staffing and resources necessary to investigate the average annual number of opioid-related investigations conducted by multijurisdictional task forces and hometown security teams during the preceding 5 fiscal years. The department shall work to enhance investigative and drug interdiction efforts by enhancing data analysis capabilities and linking investigations among multijurisdictional task forces and hometown security teams.

Sec. 603. (1) The department shall provide protection to this state, its economy, welfare, and vital state-sponsored programs through the prevention and suppression of organized smuggling of untaxed tobacco products in this state, through enforcement of the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, and other laws pertaining to combating criminal activity in this state, and by maintaining a tobacco tax enforcement unit.

(2) The department shall submit an annual report on December 1 to the standard report recipients and to the senate and house appropriations subcommittees on general government that details expenditures and activities related to tobacco tax enforcement for the previous fiscal year.

Sec. 604. The department shall provide fire investigation training and investigative assistance to public safety agencies in this state.

Sec. 605. From the funds appropriated in part 1, the department shall make an organized, strategic effort to recruit trooper school candidates and other new employees that mirror the diverse racial, religious, and cultural backgrounds that make up the communities in this state.

SPECIALIZED SERVICES

Sec. 701. (1) The department shall operate the Michigan intelligence operations center for homeland security as this state's primary federally designated fusion center to receive, analyze, gather, and disseminate threat-related information among federal, state, local, tribal, and private sector partners.

(2) The department shall ensure public safety by providing public and private sector partners with timely and accurate information regarding critical information key resource threats, as reported to or discovered by the Michigan intelligence operations center for homeland security, and shall increase public awareness on how to report suspicious activity through website or telephone communications.

(3) The department shall maintain the staffing and resources necessary to support the cyber section, including the Michigan cyber command center, the computer crimes unit, and the internet crimes against children task force. The department shall maintain the staffing and resources necessary to complete the average annual number of cases completed by the computer crimes unit during the preceding 5 fiscal years. The computer crimes unit shall pursue process improvement initiatives to effectively utilize staff resources in providing investigatory assistance and evidentiary analysis for law enforcement and criminal justice agencies statewide. The department shall maintain the staffing and resources necessary to complete the average annual casework that the Michigan cyber command center completed during the preceding 5 fiscal years.

(4) The department shall maintain the staffing and resources necessary to provide digital forensic analysis services with a goal of decreasing backlogs of digital forensic analysis cases annually until the department maintains a 60-day turnaround time.

Sec. 702. (1) The department shall provide specialized services in support of, and to enhance, local, state, and federal law enforcement operations within this state, in accordance with all applicable state and federal laws and regulations.

(2) The department shall maintain the staffing and resources necessary to provide training to maintain readiness to respond appropriately to at least the average annual number of requests for specialty services which occurred during the preceding 5 fiscal years.

(3) The canine unit shall be available for call out statewide 100% of the time.

(4) The bomb squad unit shall be available for call out statewide 100% of the time.

(5) The emergency support teams shall be available for call out statewide 100% of the time.

(6) The marine services team shall be available for call out statewide 100% of the time.

(7) Aviation services shall be available for call out statewide 100% of the time, unless prohibited by weather or unexpected mechanical breakdowns.

(8) The department shall maintain the staff and resources necessary to provide security services at the State Capitol Complex facilities, the State Secondary Complex, and other state-owned or leased properties, as provided under section 6c of 1935 PA 59, MCL 28.6c. The department shall also maintain the staff and resources necessary to respond to emergencies at the State Capitol Complex, State Secondary Complex, House Office Building, Binsfeld Office Building, Townsend Parking Ramp, Roosevelt Parking Ramp, and other areas as directed. The department shall maintain a goal of annually conducting 35,000 property inspections of state owned and leased facilities.

Sec. 703. (1) The department shall maintain commercial vehicle regulation, school bus inspections, and enforcement activities, including enforcement of requirements concerning size, weight, and load restrictions; operating authority; registration; fuel taxes; transportation of hazardous materials; new entrant operations; commercial driver licenses; and inspections pursuant to the federal motor carrier assistance program.

(2) The department shall maintain the staffing and resources necessary to meet inspection goals consistent with the department's federal motor carrier assistance program activities.

(3) Revenue collected under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, must be expended in accordance with that act. Unexpended and unencumbered revenues must not lapse to the general fund but must be carried forward into the subsequent fiscal year.

Sec. 704. (1) The department shall coordinate the mitigation, preparation, response, and recovery activities of municipal, county, state, and federal governments, and other governmental entities, for all hazards, disasters, and emergencies.

(2) The state director of emergency management may expend money appropriated under part 1 to call on any agency or department of this state or any resource of this state to protect life or property or to provide for the health or safety of the population in any area of this state in which the governor proclaims a state of emergency or state of disaster 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 must contain, as a separate item, a statement of all money expended that is not reimbursable from federal funding. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(3) In addition to the funds appropriated in part 1, 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 SIGMA is approved by the state budget office under this section, the department and the state budget office shall notify the senate and house appropriations subcommittees on state police and the senate and house fiscal agencies within 10 days after the approval. The notification must include the amount and source of the additional authorization, the date of its approval, and the projected use of the funds to be expended under the authorization. The total amount of federal revenues that may be received and expended under this section and section 232 must not exceed $750,000,000.00.

(4) The department shall foster, promote, and maintain partnerships to protect this state and homeland from all hazards.

(5) The department shall maintain the staffing and resources necessary to do all of the following:

(a) Serve approximately 105 local emergency management preparedness programs and 88 local emergency planning committees in this state.

(b) Operate and maintain the state's emergency operations center and provide command and control in support of emergency response services.

(c) Maintain readiness, including training and equipment to respond to civil disorders and natural disasters commensurate with the capabilities of fiscal year 2010-2011.

(d) Perform hazardous materials response training.

(6) The department shall conduct a minimum of 3 training sessions to enhance safe response in the event of natural or manmade incidents, emergencies, or disasters.

(7) In addition to the funds appropriated in part 1, there is appropriated from the disaster and emergency contingency fund an amount necessary to cover costs related to any disaster or emergency as defined in the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. Funds must be expended as provided under sections 18 and 19 of the emergency management act, 1976 PA 390, MCL 30.418 and 30.419, and R 30.51 to R 30.61 of the Michigan Administrative Code.

(8) If, in a particular month, expenditures are made from the disaster and emergency contingency fund, the department shall submit a report for that month to the senate and house fiscal agencies detailing the purpose of the expenditures. The monthly report required under this subsection must be submitted within 30 days after the end of the month during which funds from the disaster and emergency contingency fund were expended.

(9) The department shall track and report on a biannual basis, as provided in section 228 of this part, the status of the department's assessment of critical infrastructure vulnerabilities, including the protection status of critical infrastructure items identified by the assessment. The department is not required to report any information that could compromise the security of any critical infrastructure.

(10) Revenue collected by the department under this section for the emergency management and homeland security training center that is unexpended and unencumbered at the end of the fiscal year must not lapse to the general fund, but must be carried forward into the subsequent fiscal year.

Sec. 705. The department shall provide for the planning, administration, and implementation of highway traffic safety programs to save lives and reduce injuries on roads in this state, in partnership with other public and private organizations.

Sec. 706. (1) Funds appropriated in part 1 for the secondary road patrol program must be used to provide grants to sheriffs under the secondary road patrol program described under section 76 of 1846 RS 14, MCL 51.76.

(2) The sheriffs' duties under the secondary road patrol program, as outlined in section 76(2) of 1846 RS 14, MCL 51.76, are to do all of the following:

(a) Patrol and monitor traffic violations.

(b) Enforce the criminal laws of this state, violations of which are observed by or brought to the attention of the sheriff's department while patrolling and monitoring secondary roads.

(c) Investigate accidents involving motor vehicles.

(d) Provide emergency assistance to persons on or near a highway or road the sheriff is patrolling and monitoring.

Sec. 707. The department shall serve as an active liaison between the department of technology, management, and budget and state, local, regional, and federal public safety agencies on matters pertaining to the Michigan public safety communications system and shall report user issues to the department of technology, management, and budget.

ONE-TIME APPROPRIATIONS

Sec. 801. (1) From the funds appropriated in part 1 for cold case investigations, the department shall create and administer a competitive grant program that provides grants not to exceed $200,000.00 to Michigan universities that operate a cold case program. As used in this section, "cold case program" means an academic program administered by a university that provides, but is not limited to, workforce development training related to criminal investigation tactics, forensic science and law, and review of cold homicide and missing persons cases.

(2) The department shall not approve a grant application under this section if a university does not satisfy either of the following:

(a) The university has operated a cold case program with the department for over a year as of October 1, 2024.

(b) The university will begin a cold case program with the department not later than October 1, 2026.

(3) Funds disbursed under this section must be used only for programmatic and operational expenses of the university's cold case program.

Sec. 802. (1) From the funds appropriated in part 1 for law enforcement training for communication with limited English speaking communities and those deaf and hard of hearing, the department grants and community services division shall create and administer a block grant program to support training provided by an entity holding an oral transliteration certificate. The oral transliteration certificate must be held by an officer, board member, or principal of the entity and must be held for at least 1 year. Any training course provided for under this section must be certified by the International Accreditors for Continuing Education and Training. The purpose of the grant is to train officers to better assist in their communication with members of the public who experience a language barrier or may be hard of hearing or deaf.

(2) The unexpended funds appropriated in part 1 for law enforcement training for communication with limited English speaking communities and those deaf and hard of hearing are designated as a work project appropriation, and any unencumbered or unallotted funds must not lapse at the end of the fiscal year and must be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.145a:

(a) The purpose of the project is the training of law enforcement officers.

(b) The project will be accomplished by utilizing contracts with service providers.

(c) The estimated cost of this project is $500,000.00.

(d) The tentative completion date for the work project is September 30, 2029.

(3) The department may use the funds appropriated in part 1 for law enforcement training for communicating with limited English speaking communities and those deaf and hard of hearing for costs associated with the administration and oversight of the block grant program.

Sec. 803. (1) From the funds appropriated in part 1 for Michigan public safety critical incident mapping grant, the department shall create and administer a competitive grant program to assist counties in their development of critical incident mapping. An individual grant to a county must not exceed $25,000.00 and a county is only eligible to only receive up to 3 individual grants.

(2) A county that is awarded a grant under this section shall only use the funds only to implement critical incident mapping that satisfies all of the following:

(a) Is compatible with platforms and applications used by local, state, and federal public safety officials.

(b) Does not require the purchase of additional software for use.

(c) Is provided in a printable format.

(d) Is verified for accuracy through a walk-through of a building and grounds.

(e) Is oriented true north.

(f) Includes accurate floor plan information overlaid on current aerial imagery of a building.

(g) Includes site-specific labeling that matches the structure of the building, including room labels, hallway names, external door or stairwell numbers, locations of hazards, key utility locations, key boxes, automated external defibrillators, and trauma kits.

(h) Includes site-specific labeling that matches the building grounds, including parking areas, athletic fields, surrounding roads, and neighboring properties.

(i) Includes a gridded overlay with x/y coordinates.

(j) Includes information that best assists first responders in an emergency, including, but not limited to, the following information:

(*i*) Building numbers.

(*ii*) Floors.

(*iii*) Suite designations.

(*iv*) Room numbers.

(*v*) Other available relevant location information for each building.

(3) The department shall make grant payments to counties under this section on a schedule as determined by the department.

ARTICLE 15

STATE TRANSPORTATION DEPARTMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF TRANSPORTATION			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	3,202.3		
GROSS APPROPRIATION		**$**	**7,889,495,800**
Total interdepartmental grants and intradepartmental transfers			4,366,200
ADJUSTED GROSS APPROPRIATION		**$**	**7,885,129,600**
Federal revenues:			
Total federal revenues			2,329,605,500
Special revenue funds:			
Total local revenues			87,448,500
Total private revenues			20,500,000
Total other state restricted revenues			5,447,575,600
State general fund/general purpose		**$**	**0**
Sec. 102. DEBT SERVICE			
Airport safety and protection plan		$	3,618,200
Blue Water Bridge fund			3,320,300
Economic development			234,300
Local bridge fund			77,300
State trunkline			333,554,100
GROSS APPROPRIATION		**$**	**340,804,200**
Appropriated from:			
Blue Water Bridge fund			3,320,300
Economic development fund			234,300
Local bridge fund			77,300
State aeronautics fund			3,618,200
State trunkline fund			333,554,100
State general fund/general purpose		**$**	**0**

			For Fiscal Year Ending Sept. 30, 2026
Sec. 103. INTERDEPARTMENTAL GRANTS			
CTF grant to civil service commission		$	225,300
CTF grant to department of attorney general			111,500
CTF grant to department of technology, management, and budget			40,300
CTF grant to department of treasury			54,900
CTF grant to legislative auditor general			48,500
MTF grant to department of environment, Great Lakes, and energy			2,202,200
MTF grant to department of state for collection of revenue and fees			20,000,000
MTF grant to department of treasury			3,761,300
MTF grant to legislative auditor general			393,900
SAF grant to civil service commission			140,000
SAF grant to department of attorney general			196,400
SAF grant to department of technology, management, and budget			28,600
SAF grant to department of treasury			72,200
SAF grant to legislative auditor general			38,100
STF grant to civil service commission			7,160,100
STF grant to department of attorney general			2,236,500
STF grant to department of state police			13,945,400
STF grant to department of technology, management, and budget			1,235,100
STF grant to department of treasury			167,000
STF grant to legislative auditor general			914,900
GROSS APPROPRIATION		**$**	**52,972,200**
Appropriated from:			
Comprehensive transportation fund			480,500
Michigan transportation fund			26,357,400
State aeronautics fund			475,300
State trunkline fund			25,659,000
State general fund/general purpose		**$**	**0**
Sec. 104. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	310.3		
Unclassified salaries—FTE positions	6.0	$	993,200
Asset management council			2,299,900
Business support services—FTEs	75.0		13,174,900
Commission audit—FTEs	29.3		4,929,800
Economic development and enhancement programs—FTEs	11.0		1,897,500
Finance, contracts, and support services—FTEs	195.0		28,214,200
Property management			9,682,100
Worker's compensation			1,720,000
GROSS APPROPRIATION		**$**	**62,911,600**
Appropriated from:			
IDG for accounting service center user charges			4,366,200
Comprehensive transportation fund			1,884,400
Economic development fund			413,800
Michigan transportation fund			5,080,600
State aeronautics fund			746,500
State trunkline fund			50,420,100
State general fund/general purpose		**$**	**0**
Sec. 105. INFORMATION TECHNOLOGY			
Information technology services and projects		$	42,299,500
GROSS APPROPRIATION		**$**	**42,299,500**
Appropriated from:			
Federal aid - transportation programs			520,500
Blue Water Bridge fund			58,500

			For Fiscal Year Ending Sept. 30, 2026
Comprehensive transportation fund		$	238,200
Economic development fund			39,400
Michigan transportation fund			311,200
State aeronautics fund			185,700
State trunkline fund			40,946,000
State general fund/general purpose		**$**	**0**
Sec. 106. TRANSPORTATION PLANNING			
Full-time equated classified positions	144.0		
Planning services—FTEs	144.0	$	45,371,600
Grants to regional planning councils			488,800
GROSS APPROPRIATION		**$**	**45,860,400**
Appropriated from:			
Federal aid - transportation programs			26,000,000
Comprehensive transportation fund			359,900
Michigan transportation fund			11,338,200
State aeronautics fund			30,800
State trunkline fund			8,131,500
State general fund/general purpose		**$**	**0**
Sec. 107. DESIGN AND ENGINEERING SERVICES			
Full-time equated classified positions	1,657.3		
Business services—FTEs	47.8		11,846,500
Program development and delivery—FTEs	1,046.5		135,554,900
System operations management—FTEs	563.0		119,754,200
GROSS APPROPRIATION		**$**	**267,155,600**
Appropriated from:			
Federal aid - transportation programs			23,529,800
Comprehensive transportation fund			187,100
Michigan transportation fund			19,624,800
State trunkline fund			223,813,900
State general fund/general purpose		**$**	**0**
Sec. 108. HIGHWAY MAINTENANCE			
Full-time equated classified positions	908.7		
State trunkline operations—FTEs	908.7	$	503,716,400
GROSS APPROPRIATION		**$**	**503,716,400**
Appropriated from:			
State trunkline fund			503,716,400
State general fund/general purpose		**$**	**0**
Sec. 109. ROAD AND BRIDGE PROGRAMS			
Cities and villages		$	989,893,600
County road commissions			1,790,859,100
Grants to local programs			33,000,000
Local agency wetland mitigation bank fund			2,000,000
Local bridge program			126,417,100
Local federal aid and road and bridge construction			428,999,800
Movable bridge fund			6,309,000
Rail grade crossing			3,000,000
Rail grade crossing - surface improvements			3,000,000
State trunkline federal aid and road and bridge construction			1,851,212,700
Rail grade separation fund			40,000,000
GROSS APPROPRIATION		**$**	**5,274,691,300**
Appropriated from:			
Federal aid - transportation programs			1,744,266,200
Local funds			30,003,500
Private funds			10,000,000

			For Fiscal Year Ending Sept. 30, 2026
Blue Water Bridge fund			32,757,700
Local bridge fund			26,417,100
Michigan transportation fund			2,135,501,700
State trunkline fund			463,185,100
Neighborhood road fund			832,560,000
State general fund/general purpose		**$**	**0**
Sec. 110. BLUE WATER BRIDGE			
Full-time equated classified positions	47.0		
Blue Water Bridge operations—FTEs	47.0	$	7,908,600
GROSS APPROPRIATION		**$**	**7,908,600**
Appropriated from:			
Blue Water Bridge fund			7,908,600
State general fund/general purpose		**$**	**0**
Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT			
Forest roads			5,000,000
Rural county primary			10,547,600
Rural county urban system			2,500,000
Targeted industries/economic development			24,595,300
Urban county congestion			10,547,600
GROSS APPROPRIATION		**$**	**53,190,500**
Appropriated from:			
Economic development fund			53,190,500
State general fund/general purpose		**$**	**0**
Sec. 112. AERONAUTICS SERVICES			
Full-time equated classified positions	48.0		
Air service program			50,000
Aviation services—FTEs	48.0		7,848,300
GROSS APPROPRIATION		**$**	**7,898,300**
Appropriated from:			
State aeronautics fund			7,898,300
State general fund/general purpose		**$**	**0**
Sec. 113. PUBLIC TRANSPORTATION SERVICES			
Full-time equated classified positions	46.0		
Passenger transportation services—FTEs	46.0	$	7,410,900
GROSS APPROPRIATION		**$**	**7,410,900**
Appropriated from:			
Federal aid - transportation programs			2,000,000
Comprehensive transportation fund			5,410,900
State general fund/general purpose		**$**	**0**
Sec. 114. LOCAL BUS TRANSIT			
Local bus operating		$	271,607,300
Nonurban operation/capital			41,123,000
GROSS APPROPRIATION		**$**	**312,730,300**
Appropriated from:			
Federal aid - transportation programs			39,123,000
Local funds			2,000,000
Comprehensive transportation fund			271,607,300
State general fund/general purpose		**$**	**0**
Sec. 115. INTERCITY PASSENGER			
Full-time equated classified positions	41.0		
Detroit/Wayne County Port Authority		$	600,000
Freight property management			1,300,000
Intercity services			10,189,700

			For Fiscal Year Ending Sept. 30, 2026
Marine passenger service		$	20,559,100
Office of rail—FTEs	41.0		7,485,900
Rail operations and infrastructure			149,388,500
GROSS APPROPRIATION		**$**	**189,523,200**
Appropriated from:			
Federal aid - transportation programs			54,362,700
Local funds			760,000
Private funds			4,500,000
Comprehensive transportation fund			120,807,400
Intercity bus equipment fund			45,400
Michigan transportation fund			2,211,800
Rail freight fund			6,000,000
State trunkline fund			835,900
State general fund/general purpose		**$**	**0**
Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT			
Municipal credit program		$	2,000,000
Service initiatives			20,992,300
Specialized services			30,342,700
Transit capital			247,793,500
Van pooling			400,000
Infrastructure projects authority fund			65,000,000
GROSS APPROPRIATION		**$**	**366,528,500**
Appropriated from:			
Federal aid - transportation programs			169,803,300
Local funds			37,185,000
Private funds			4,000,000
Comprehensive transportation fund			90,540,200
Neighborhood road fund			65,000,000
State general fund/general purpose		**$**	**0**
Sec. 117. CAPITAL OUTLAY			
(1) BUILDINGS AND FACILITIES			
Salt storage buildings and containment control		$	3,000,000
Special maintenance, remodeling, and additions			5,000,500
GROSS APPROPRIATION		**$**	**8,000,500**
Appropriated from:			
State trunkline fund			8,000,500
State general fund/general purpose		**$**	**0**
(2) AIRPORT IMPROVEMENT PROGRAMS			
Airport safety, protection and improvement program		$	189,045,000
Detroit Metropolitan Wayne County Airport			13,020,000
IIJA airport infrastructure grants			115,000,000
GROSS APPROPRIATION		**$**	**317,065,000**
Appropriated from:			
Federal aid - transportation programs			270,000,000
Local funds			17,500,000
Private funds			2,000,000
Qualified airport fund			13,020,000
State aeronautics fund			14,545,000
State general fund/general purpose		**$**	**0**
Sec. 118. ONE-TIME APPROPRIATIONS			
Road user charge study and pilot program			7,650,000
Maritime and port fund			5,294,700
Railroad heritage preservation program			5,294,700
Non-motorized public transportation/trails			5,294,700
Deposit to state aeronautics fund general aviation			5,294,700
GROSS APPROPRIATION		**$**	**28,828,800**

		For Fiscal Year Ending Sept. 30, 2026
Appropriated from:		
Comprehensive transportation fund		21,178,800
Michigan transportation fund		7,650,000
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $5,447,575,600.00 and state spending under part 1 from state sources to be paid to local units of government is $3,384,739,600.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

STATE TRANSPORTATION DEPARTMENT		
Grants to regional planning councils	$	488,800
Cities and villages		989,893,600
County road commissions		1,790,859,100
Grants to local programs		33,000,000
Local bridge program		126,417,100
Local agency wetland mitigation		2,000,000
Movable bridge		3,154,500
Rail grade crossing		1,500,000
Rail grade surface crossing improvements		3,000,000
Forest roads		5,000,000
Rural county primary		10,547,600
Rural county urban system		2,500,000
Target industries/economic redevelopment		15,249,100
Urban county congestion		10,547,600
Air service program		50,000
Local bus operating		271,607,300
Detroit/Wayne County Port Authority		600,000
Marine passenger service		2,000,000
Municipal credit program		2,000,000
Service initiatives		7,288,300
Specialized services		13,000,000
Transit capital		70,782,700
Airport safety, protection, and improvement program		10,233,900
Detroit Metropolitan Wayne County Airport		13,020,000
Total payments to local units of government	**$**	**3,384,739,600**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:
(a) "CTF" means comprehensive transportation fund.
(b) "Department" means the state transportation department.
(c) "DOT-FHWA" means DOT, Federal Highway Administration.
(d) "FTE" means full-time equated.
(e) "IDG" means interdepartmental grant.

(f) "IIJA" means the infrastructure investment and jobs act, 2021, Public Law 117-58.

(g) "MTF" means Michigan transportation fund.

(h) "SAF" means state aeronautics fund.

(i) "Standard report recipients" means the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(j) "STF" means state trunkline fund.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement shall include transmission of reports via email to the recipients identified for each reporting requirement, or it shall include placement of reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental programs or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $500,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $40,000,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $11,000,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) A department or agency shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 214. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises 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 geographically disadvantaged business enterprises for services or supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 216. On a quarterly basis, the department or agency receiving appropriations in part 1 shall report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of FTE positions authorized from funds appropriated in part 1 to the actual number of FTE positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 219. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include a reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 222. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 226. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed on business hours.

Sec. 227. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 228. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agrees to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 232. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 234. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $41,805,400.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $37,705,900.00. Total department appropriations for retiree health care legacy costs are estimated at $4,099,500.00.

Sec. 235. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 236. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 237. Not later than November 15, the department must disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 239. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money

allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. 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 on request, unless otherwise stipulated by law. All permit fees are nonrefundable application fees and must be credited to the appropriate fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

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, the department shall keep that bid documentation confidential and shall not disclose that bid documentation 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. 306. (1) The amounts appropriated in part 1 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments must be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts must be executed before the expenditure or obligation of those funds. The contracts must provide, but are not limited to, the following data applicable to each state department:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services provided to the department and/or transportation funds and financed with transportation funds.

(c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.

(2) Not later than 2 months after publication of the state of Michigan annual comprehensive financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, the senate and house fiscal agencies, and the auditor general 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.

Sec. 307. Before March 1, the department shall provide to the legislature, the state budget director, and the senate and house 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. 309. (1) Notwithstanding any other law, a state contract for a pavement marking project or for the purchase of materials for a pavement marking project must include in the contract a requirement that, in any yellow water-based paint product procured, all yellow pigments permanently incorporated in the material must be manufactured in the United States according to the rules of origin under the United States-Mexico-Canada agreement, Public Law 116-113.

(2) It is the intent of the legislature to use cement manufactured in the United States according to the rules of origin under the United States-Mexico-Canada agreement, Public Law 116-113.

Sec. 310. The department shall post in a timely manner copies of the agenda, approved minutes, and audio recording of state transportation commission meetings.

Sec. 311. (1) The department shall prepare a report on all of the following:

(a) CRRSAA – highway infrastructure – local bridge bundling initiative established in section 113(2) of article 14 of 2021 PA 87.

(b) Local bridge bundling initiative established in section 118 of article 15 of 2023 PA 119.

(2) The report must identify the status of bridge projects selected, funds expended under the program, and funds remaining.

(3) The report shall be submitted to the standard report recipients on or before March 30, 2026.

Sec. 312. By March 31, the department shall report to the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget office on the utilization of department properties, including, but not limited to, salt storage facilities, garages, and regional offices.

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 department shall administer the state infrastructure bank 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 this state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by this state as a result of projects funded by the program and interest earned on that money must be deposited in the revolving state infrastructure bank fund and must be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund remain in the fund and carry forward into the succeeding fiscal year.

(3) The department shall prepare a report on the status of the state infrastructure bank and submit the report to the standard report recipients on or before December 31, 2025. The report must include all of the following:

(a) The balance in the state infrastructure bank on September 30, 2025, including a breakdown of the balance by cash and cash equivalents, outstanding loans, and balance available for loan to local agencies.

(b) A breakdown of the state infrastructure loan balance by amounts originating from federal sources and the amounts originating from nonfederal sources.

(c) A list of outstanding loans by agency, original loan amount, project description, loan term, and amount outstanding.

Sec. 314. (1) The MI contracting opportunity loan fund is created within the state treasury.

(2) Funds deposited into the MI contracting opportunity loan fund originally created in section 1003 of article 15 of 2024 PA 121 or money received by the state as repayment of loans or interest earned on loan funds is appropriated and shall be available for future loans.

(3) At the close of the fiscal year, any unencumbered funds remaining in the fund shall be carried forward into the succeeding fiscal year.

Sec. 315. The department shall use any additional funds in the moveable bridge fund to cover other costs for any required local federal bridge load analysis, inspection, or other local federal mandate.

Sec. 383. (1) The department shall prepare a report on the use of department-owned aircraft during the fiscal year ending September 30, 2025. With respect to each department-owned aircraft, the report must include all of the following:

(a) Total hours of usage.

(b) Description of specific flights, including dates of travel, names of passengers, including state agency, university, or local government affiliation, travel origin and destination, and total estimated costs associated with the air travel.

(2) The department shall submit the report as required under section 205 no later than February 1, 2026.

(3) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

Sec. 384. (1) Except as otherwise provided in subsection (2), the department shall not obligate this state to expend any state transportation revenue for construction planning or construction of the Gordie Howe International Crossing or a renamed successor. In addition, except as provided in subsection (2), the department shall not commit this state to any new contract related to the construction planning or construction of the Gordie Howe International Crossing or a renamed successor that would obligate this state to expend any state transportation revenue. An expenditure for staff resources used in connection with project activities that is subject to full and prompt reimbursement from Canada is not considered an expenditure of state transportation revenue.

(2) If the legislature enacts specific enabling legislation for the construction of the Gordie Howe International Crossing or a renamed successor, subsection (1) does not apply once the enabling legislation goes into effect.

Sec. 385. (1) The department shall submit monthly reports to the standard report recipients, the speaker of the house of representatives, the house of representatives minority leader, the senate majority leader, and the senate minority leader on all of the following:

(a) All expenditures made by this state related to the Gordie Howe Bridge.

(b) All reimbursements made by Canada under section 384(1) of this part to this state for expenditures for staff resources used in connection with project activities.

(c) All eminent domain and condemnation powers used, the related real estate involved in any governmental taking, the price paid for those properties, and the beneficiary's name or associated corporation.

(2) The department shall submit the initial report required under subsection (1) on or before December 1. The initial report must cover the prior fiscal year.

Sec. 388. From the funds appropriated in part 1, the department shall not expend any state funds or other resources in support of federal United States Department of Transportation grant 693JJ22440000Y430MI24A0815.

Sec. 389. (1) Within 30 days after entering into a long-term agreement with a private contractor, a public agency, or a partnership between 1 or more private contractors or public agencies, the department shall notify the state budget director, the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies of the agreement, including the subject of the agreement, the term of the agreement, and financial obligations under the agreement.

(2) As used in this section, "long-term agreement" means an agreement that obligates the department for a period of 5 years or more and that actually or contingently obligates the department to make payments over the contract period of $10,000,000.00 or more.

Sec. 394. The department and local road agencies shall make the preservation of their existing road networks a funding priority.

Sec. 395. From the funds appropriated in part 1 for state trunkline federal aid road and bridge construction, the department may expend up to $10,000,000.00 on highway maintenance activities to support safety-related, high-priority, and other deferred routine maintenance needs on the state trunkline network.

Sec. 398. The department shall continue to work to eliminate fatalities and serious injuries on the state trunkline network and shall maintain the Toward Zero Deaths statewide safety campaign.

Sec. 399. In developing its state trunkline road and bridge construction program, the department shall prioritize spending on capital preventative maintenance.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, and not appropriated to the department of licensing and regulatory affairs or the department of state police is deposited in the Michigan transportation fund.

Sec. 503. (1) At the close of the fiscal year, funds appropriated in part 1 for the transportation economic development program shall lapse to the transportation economic development fund.

(2) At the close of the fiscal year, funds appropriated in part 1 for the local bridge program shall carry forward and are appropriated for the purposes defined in section 10(5) of 1951 PA 51, MCL 247.660.

(3) Interest earned in the 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.

(4) In addition to the funds appropriated in part 1, the transportation economic development fund and local bridge fund may receive federal, local, or private funds or restricted source funds such as interest earnings. These funds are appropriated for projects that are consistent with the purposes of the respective funds.

(5) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund must be distributed to the comprehensive transportation fund, the economic development fund, the recreation improvement fund, and the state trunkline fund, in accordance with this part and part 1 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 part and part 1, 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.

STATE TRUNKLINE FUND

Sec. 604. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund remains in the state trunkline fund and carries forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

TRANSIT AND RAIL RELATED FUNDS

Sec. 701. The department shall establish an intercity bus equipment and facility fund as a subsidiary fund within the comprehensive transportation fund created under section 10b of 1951 PA 51, MCL 247.660b. Proceeds received by this state from the sale of state-owned intercity bus equipment must be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment, as appropriated. Security deposits not returned to a lessee of state-owned intercity bus equipment under terms of the lease agreement must be credited to the intercity bus equipment and facility fund for the repair of intercity bus equipment, as appropriated. Money received by the department from lease payments for state-owned intercity bus equipment, and facility maintenance charges under terms of leases of state-owned intercity facilities, must be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment or for the maintenance and rehabilitation of state-owned intercity facilities, as appropriated. At the close of the fiscal year, any funds remaining in the intercity bus equipment and facility fund remain in the fund and are carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by this 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 must be deposited in the rail freight 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 freight fund remain in the fund and are carried forward into the succeeding fiscal year.

Sec. 704. From the funds appropriated in part 1, the department shall prepare and transmit a report that provides detail regarding the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure. The report shall include a breakdown of the appropriation by program, year-to-date obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year. The report shall also include a listing of all active rail related federal grants. The initial report shall be submitted to the standard report recipients on or before March 1. The department also shall update and resubmit a final report on or before September 30.

Sec. 705. 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 senate and house 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. 707. (1) Before March 1, 2026, the department shall provide to the legislature, the state budget office, and the senate and house fiscal agencies its rail strategic plan. The strategic plan must include, but is not limited to, a rolling 5-year rail plan and a summary of the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure.

(2) The rolling 5-year rail plan must include, but is not limited to, all of the following:

(a) A listing by county of all rail infrastructure projects on rail lines within this state utilizing state funds, and the estimated cost of each project.

(b) The actual or projected state expenditures for operation of passenger rail service.

(c) The actual or projected state expenditures for maintenance of passenger service rail lines.

(3) The period of the rolling 5-year rail plan must include the fiscal year ending September 30, 2026 and the immediately following 4 fiscal years.

(4) The summary of the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure must include a breakdown of the appropriation by program, year-to-year obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year.

(5) From the funds appropriated in part 1 for rail operation and infrastructure, not less than $20,000,000.00 must be allocated for the support of rail-related economic development projects and rail freight system preservation projects.

Sec. 720. It is the intent of the legislature that all transit agencies in this state should strive to achieve a farebox recovery rate of not less than 6%.

Sec. 721. The part 1 appropriation for maritime and port fund must be credited to the maritime and port facility assistance fund created in section 7 of the maritime and port facility assistance grant program act, 2022 PA 159, MCL 120.157

Sec. 723. The part 1 appropriation for nonmotorized public transportation/trails shall be used to establish and maintain a system of trails in this state for nonmotorized use.

Sec. 724. The part 1 appropriation for deposit to state aeronautics fund general aviation shall be credited to the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208 and used for capital improvements and air service improvements at general aviation airports in this state.

Sec. 735. For the fiscal year ending September 30, 2026, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is $0.

Sec. 753. From the funds appropriated in part 1 for the railroad heritage preservation program, the department shall establish a railroad heritage preservation program to provide funding to organizations for the promotion of railroading in this state with a focus on Michigan railroad history. The department shall administer the program as a competitive grant program. Applicants must be qualified tax exempt organizations under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501. Grants must be awarded only for capital infrastructure repair or rehabilitation.

AERONAUTICS FUND

Sec. 801. Except as otherwise provided in section 903 of this part for capital outlay, 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, lapses to the state aeronautics fund and may be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 802. From the funds appropriated in part 1 for aviation services, the department shall retain and maintain air service between Marquette and Lansing with priority service as follows:

(a) Emergencies.

(b) Routine travel for elected state officials.

(c) Other uses.

CAPITAL OUTLAY

Sec. 901. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion must not exceed the amount appropriated in part 1.

(2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section, unless a total nonfederal share less than 10% is otherwise specified in federal law. State money must not be allocated until local money is allocated. State money for any 1 project must not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this part and part 1 and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

Sec. 903. The appropriations in part 1 for capital outlay are carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

ONE-TIME APPROPRIATIONS

Sec. 1005. (1) No later than December 31, 2025, the department shall begin a road usage charge study and pilot program as described in this section. The total cost of the road usage charge study and pilot program must not exceed $7,650,000.00.

(2) No later than 90 days after the effective date of this act, the department must create a road usage charge technical advisory committee. All of the following apply to the technical advisory committee:

(a) Meetings of the technical advisory committee must be held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(b) The purpose of the technical advisory committee is to guide the development and evaluation of a road usage charge study and pilot program to assess the potential and positive and negative findings for mileage-based revenue collection for this state's roads and highways as an alternative to the fuel tax system.

(c) The technical advisory committee may include members of the department, private industry, and interested stakeholders.

(d) The technical advisory committee must study road usage charge alternatives to the fuel tax. The technical advisory committee must gather public comment on issues and concerns related to the road usage charge study and pilot program and must make recommendations to the director on the design of a road usage charge study to test alternative road usage charge approaches. The technical advisory committee may also make recommendations on the criteria to be used to evaluate the road usage charge study.

(e) The technical advisory committee shall consult with highway users and transportation stakeholders, including representatives of vehicle users, vehicle manufacturers, and fuel distributors, as part of its duties under subdivision (d).

(3) It is the intent of the legislature that the road usage charge study and pilot program be completed by December 31, 2026 and the department must prepare and submit a report of its finding based on the results of the road usage charge study and pilot program to the governor, the senate and house appropriations committees, the senate and house subcommittees on transportation, the senate and house fiscal agencies, the technical advisory committee, and the public. The report must also be available on the department's website.

(4) Funds appropriated in part 1 for road user charge study and pilot program shall be expended for a road usage charge study and pilot program and are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have 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 fund a road usage charge study and pilot program.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $7,650,000.00.

(d) The tentative completion date is December 31, 2026.

(5) As used in this section, "technical advisory committee" means the road usage charge technical advisory committee.

ARTICLE 16

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2024-2025

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2025, from the following funds:

APPROPRIATION SUMMARY			
Full-time equated classified positions	8.0		
GROSS APPROPRIATION		**$**	**2,570,902,400**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			1,101,300
ADJUSTED GROSS APPROPRIATION		**$**	**2,569,801,100**

		For Fiscal Year Ending Sept. 30, 2025
Federal revenues:		
Total federal revenues		1,358,630,300
Special revenue funds:		
Total local revenues		1,123,900
Total private revenues		2,185,800
Total other state restricted revenues		453,471,000
ARP – HCBS match revenue – state general fund/general purpose	**$**	**54,894,000**
State general fund/general purpose	**$**	**699,496,100**
Sec. 102. DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**1,000,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**1,000,000**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		1,000,000
State general fund/general purpose	**$**	**0**
(2) FOOD SAFETY AND ANIMAL HEALTH		
Food safety and quality assurance	$	1,000,000
GROSS APPROPRIATION	**$**	**1,000,000**
Appropriated from:		
Special revenue funds:		
Dairy and food safety fund		1,000,000
State general fund/general purpose	**$**	**0**
Sec. 103. DEPARTMENT OF ATTORNEY GENERAL		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**62,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		62,000
ADJUSTED GROSS APPROPRIATION	**$**	**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) ATTORNEY GENERAL OPERATIONS		
Operations	$	62,000
GROSS APPROPRIATION	**$**	**62,000**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDSP, Michigan justice training fund		62,000
State general fund/general purpose	**$**	**0**
Sec. 104. DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**175,704,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**175,704,000**

		For Fiscal Year Ending Sept. 30, 2025
Federal revenues:		
Total federal revenues	$	154,822,200
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		20,725,000
State general fund/general purpose	**$**	**156,800**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
Executive direction	$	2,281,000
Local community grants		129,104,400
GROSS APPROPRIATION	**$**	**131,385,400**
Appropriated from:		
Federal revenues:		
Inflation reduction act		131,385,400
State general fund/general purpose	**$**	**0**
(3) WATER RESOURCES DIVISION		
Federal - Great Lakes remedial action plan grants	$	1,080,000
Great Lakes restoration initiative		18,061,800
Water resource programs		1,675,000
GROSS APPROPRIATION	**$**	**20,816,800**
Appropriated from:		
Federal revenues:		
Federal funds		5,500,000
Inflation reduction act		700,000
Infrastructure investment and jobs act fund		14,616,800
State general fund/general purpose	**$**	**0**
(4) REMEDIATION AND REDEVELOPMENT DIVISION		
Contaminated site remediation and redevelopment programs	$	15,000,000
GROSS APPROPRIATION	**$**	**15,000,000**
Appropriated from:		
Special revenue funds:		
Clean Michigan initiative, response activities		15,000,000
State general fund/general purpose	**$**	**0**
(5) MATERIALS MANAGEMENT DIVISION		
Energy programs	$	7,305,000
Material management programs		400,000
GROSS APPROPRIATION	**$**	**7,705,000**
Appropriated from:		
Federal revenues:		
Inflation reduction act		1,980,000
Special revenue funds:		
Energy efficiency and renewable energy revolving loan fund		5,325,000
Environmental pollution prevention fund		400,000
State general fund/general purpose	**$**	**0**
(6) ONE-TIME APPROPRIATIONS		
Americorps and office of climate and energy	$	796,800
GROSS APPROPRIATION	**$**	**796,800**
Appropriated from:		
Federal revenues:		
Federal funds		640,000
State general fund/general purpose	**$**	**156,800**
Sec. 105. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**1,143,415,700**

		For Fiscal Year Ending Sept. 30, 2025
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	$	727,200
ADJUSTED GROSS APPROPRIATION	**$**	**1,142,688,500**
Federal revenues:		
Total federal revenues		202,896,000
Special revenue funds:		
Total local revenues		1,123,900
Total private revenues		1,435,800
Total other state restricted revenues		386,331,700
ARP – HCBS match revenue – state general fund/general purpose	**$**	**54,894,000**
State general fund/general purpose	**$**	**496,007,100**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
Demonstration projects	$	(7,070,800)
Demonstration projects		7,070,800
Property management		1,643,700
GROSS APPROPRIATION	**$**	**1,643,700**
Appropriated from:		
Federal revenues:		
Social security act, temporary assistance for needy families		0
Capped federal revenues		0
Total other federal revenues		378,100
Special revenue funds:		
Total local revenues		0
Total private revenues		0
State general fund/general purpose	**$**	**1,265,600**
(3) CHILD SUPPORT ENFORCEMENT		
Child support enforcement operations	$	3,424,700
GROSS APPROPRIATION	**$**	**3,424,700**
Appropriated from:		
Federal revenues:		
Total other federal revenues		3,424,700
State general fund/general purpose	**$**	**0**
(4) COMMUNITY SERVICES AND OUTREACH		
Community services block grant	$	11,330,600
Homeless programs		277,800
GROSS APPROPRIATION	**$**	**11,608,400**
Appropriated from:		
Federal revenues:		
Capped federal revenues		11,330,600
Total other federal revenues		277,800
State general fund/general purpose	**$**	**0**
(5) CHILDREN'S SERVICES AGENCY - CHILD WELFARE		
Adoption subsidies	$	(352,400)
Child care fund		3,389,600
Children's trust fund		128,700
Foster care payments		23,371,500
Guardianship assistance program		151,700
GROSS APPROPRIATION	**$**	**26,689,100**
Appropriated from:		
Federal revenues:		
Social security act, temporary assistance for needy families		(593,900)
Capped federal revenues		128,700
Total other federal revenues		2,230,500
Special revenue funds:		
Local funds - county chargeback		1,497,600
State general fund/general purpose	**$**	**23,426,200**

		For Fiscal Year Ending Sept. 30, 2025
(6) PUBLIC ASSISTANCE		
Family independence program	$	(5,384,900)
Food assistance program benefits		(625,818,000)
State disability assistance payments		(440,600)
State supplementation		(406,900)
GROSS APPROPRIATION	**$**	**(632,050,400)**
Appropriated from:		
Federal revenues:		
Social security act, temporary assistance for needy families		(4,176,000)
Total other federal revenues		(625,818,000)
Special revenue funds:		
Child support collections		(732,900)
Public assistance recoupment revenue		198,300
Supplemental security income recoveries		456,800
State general fund/general purpose	**$**	**(1,978,600)**
(7) LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES		
Nutrition education	$	23,000,000
GROSS APPROPRIATION	**$**	**23,000,000**
Appropriated from:		
Federal revenues:		
Total other federal revenues		23,000,000
State general fund/general purpose	**$**	**0**
(8) DISABILITY DETERMINATION SERVICES		
Disability determination operations	$	(1,643,700)
GROSS APPROPRIATION	**$**	**(1,643,700)**
Appropriated from:		
Federal revenues:		
Total other federal revenues		(1,478,200)
State general fund/general purpose	**$**	**(165,500)**
(9) BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS		
Community substance use disorder prevention, education, and treatment	$	565,800
Family support subsidy		(7,100)
GROSS APPROPRIATION	**$**	**558,700**
Appropriated from:		
Federal revenues:		
Social security act, temporary assistance for needy families		(7,100)
Special revenue funds:		
Total other state restricted revenues		565,800
State general fund/general purpose	**$**	**0**
(10) BEHAVIORAL HEALTH SERVICES		
Autism services	$	96,359,100
Certified community behavioral health clinic demonstration		28,288,700
Health homes		(178,700)
Healthy Michigan plan - behavioral health		62,923,200
Medicaid mental health services		237,459,800
Medicaid substance use disorder services		(3,332,200)
GROSS APPROPRIATION	**$**	**421,519,900**
Appropriated from:		
Federal revenues:		
Total other federal revenues		310,210,000
Special revenue funds:		
Total local revenues		(246,900)
Total other state restricted revenues		14,539,500
State general fund/general purpose	**$**	**97,017,300**

		For Fiscal Year Ending Sept. 30, 2025
(11) STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES		
Caro Regional Mental Health Center - psychiatric hospital - adult	$	4,800,000
Center for forensic psychiatry		800,000
Kalamazoo Psychiatric Hospital - adult		2,600,000
Walter P. Reuther Psychiatric Hospital - adult, children, and adolescents		(4,200,000)
GROSS APPROPRIATION	**$**	**4,000,000**
Appropriated from:		
Federal revenues:		
Total other federal revenues		0
Special revenue funds:		
Total local revenues		0
Total other state restricted revenues		4,000,000
State general fund/general purpose	**$**	**0**
(12) HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES		
Domestic violence prevention and treatment	$	893,800
GROSS APPROPRIATION	**$**	**893,800**
Appropriated from:		
Federal revenues:		
Capped federal revenues		893,800
State general fund/general purpose	**$**	**0**
(13) EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY		
Emergency medical services program	$	750,000
Epidemiology administration		500,000
Laboratory services		1,227,200
GROSS APPROPRIATION	**$**	**2,477,200**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of environment, Great Lakes, and energy		727,200
Federal revenues:		
Total other federal revenues		1,250,000
Special revenue funds:		
Total other state restricted revenues		500,000
State general fund/general purpose	**$**	**0**
(14) LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
Essential local public health services	$	5,000,000
Local health services		300,000
GROSS APPROPRIATION	**$**	**5,300,000**
Appropriated from:		
Federal revenues:		
Total other federal revenues		300,000
Special revenue funds:		
Total local revenues		5,000,000
State general fund/general purpose	**$**	**0**
(15) FAMILY HEALTH SERVICES		
Dental programs	$	380,800
Immunization program		(779,000)
GROSS APPROPRIATION	**$**	**(398,200)**
Appropriated from:		
Federal revenues:		
Total other federal revenues		380,800
Special revenue funds:		
Total other state restricted revenues		(779,000)
State general fund/general purpose	**$**	**0**

		For Fiscal Year Ending Sept. 30, 2025
(16) CHILDREN'S SPECIAL HEALTH CARE SERVICES		
Bequests for care and services	$	300,000
Children's special health care services administration		450,000
Medical care and treatment		100,035,200
GROSS APPROPRIATION	**$**	**100,785,200**
Appropriated from:		
Federal revenues:		
Total other federal revenues		60,170,400
Special revenue funds:		
Total private revenues		(8,700)
Total other state restricted revenues		139,000
State general fund/general purpose	**$**	**40,484,500**
(17) AGING SERVICES		
Community services	$	0
GROSS APPROPRIATION	**$**	**0**
Appropriated from:		
Federal revenues:		
Total other federal revenues		(221,600)
State general fund/general purpose	**$**	**221,600**
(18) HEALTH AND AGING SERVICES ADMINISTRATION		
Health services administration	$	2,837,000
GROSS APPROPRIATION	**$**	**2,837,000**
Appropriated from:		
Federal revenues:		
Total other federal revenues		1,418,500
State general fund/general purpose	**$**	**1,418,500**
(19) HEALTH SERVICES		
Adult home help services	$	2,414,100
Ambulance services		162,500
Auxiliary medical services		(366,300)
Dental services		10,514,300
Federal Medicare pharmaceutical program		(761,300)
Federally qualified health centers		(102,704,100)
Health plan services		197,949,800
Healthy Michigan plan		(49,416,100)
Home health services		758,800
Hospice services		13,393,900
Hospital services and therapy		38,458,000
Integrated care organizations		12,262,200
Long-term care services		226,763,000
Maternal and child health		6,593,900
Medicaid home- and community-based services waiver		57,584,100
Medicare premium payments		88,171,400
Personal care services		(803,100)
Pharmaceutical services		12,429,900
Physician services		(18,933,600)
Plan first		50,200
Program of all-inclusive care for the elderly		3,569,600
Recuperative care		100
School-based services		6,119,100
Special Medicaid reimbursement		21,120,100
Transportation		(4,388,800)
GROSS APPROPRIATION	**$**	**520,941,700**

		For Fiscal Year Ending Sept. 30, 2025
Appropriated from:		
Federal revenues:		
Total other federal revenues	$	346,138,800
Special revenue funds:		
Total local revenues		(5,120,100)
Total private revenues		1,444,500
Total other state restricted revenues		117,444,200
State general fund/general purpose	**$**	**61,034,300**
(20) INFORMATION TECHNOLOGY		
Bridges information system	$	5,610,500
Information technology services and projects		(5,610,500)
GROSS APPROPRIATION	**$**	**0**
Appropriated from:		
Federal revenues:		
Capped federal revenues		0
Total other federal revenues		6,700
Special revenue funds:		
Total local revenues		(6,700)
Total other state restricted revenues		0
State general fund/general purpose	**$**	**0**
(21) ONE-TIME APPROPRIATIONS		
ARP - home- and community-based services projects fund	$	54,894,000
ARP - strengthen public health infrastructure, workforce, data system		9,962,900
Federal COVID emerging infections program		2,688,500
Federal COVID epidemiology and laboratory capacity		61,000,000
Health services grants		13,000,000
Medicaid health plan services		100,000,000
Prenatal and infant support program		250,000,000
State psychiatric DSH disallowance		160,283,200
GROSS APPROPRIATION	**$**	**651,828,600**
Appropriated from:		
Federal revenues:		
Total other federal revenues		73,651,400
Special revenue funds:		
Total other state restricted revenues		250,000,000
ARP – HCBS match revenue – state general fund/general purpose	**$**	**54,894,000**
State general fund/general purpose	**$**	**273,283,200**
Sec. 106. JUDICIARY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**328,300**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		12,100
ADJUSTED GROSS APPROPRIATION	**$**	**316,200**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		271,100
State general fund/general purpose	**$**	**45,100**
(2) JUSTICES' AND JUDGES' COMPENSATION		
Circuit court judges' state base salaries	$	202,500
Circuit court judicial salary standardization		68,600
Judges' retirement system defined contributions		24,400
OASI, social security		20,700
GROSS APPROPRIATION	**$**	**316,200**

			For Fiscal Year Ending Sept. 30, 2025
Appropriated from:			
Special revenue funds:			
Court fee fund		$	271,100
State general fund/general purpose		**$**	**45,100**
(3) ONE-TIME APPROPRIATIONS			
Status offender pilot program		$	12,100
GROSS APPROPRIATION		**$**	**12,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of health and human services			12,100
State general fund/general purpose		**$**	**0**
Sec. 107. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY			
(1) APPROPRIATION SUMMARY			
Full-time equated classified positions	8.0		
GROSS APPROPRIATION		**$**	**287,810,700**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**287,810,700**
Federal revenues:			
Total federal revenues			146,840,400
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			2,500,000
State general fund/general purpose		**$**	**138,470,300**
(2) WORKFORCE DEVELOPMENT			
Community and worker economic transition office		$	22,653,100
Michigan office of rural prosperity			350,000
GROSS APPROPRIATION		**$**	**23,003,100**
Appropriated from:			
Federal revenues:			
Federal funds			23,003,100
State general fund/general purpose		**$**	**0**
(3) REHABILITATION SERVICES			
Michigan rehabilitation services		$	35,000,000
GROSS APPROPRIATION		**$**	**35,000,000**
Appropriated from:			
Federal revenues:			
DED, vocational rehabilitation and independent living			35,000,000
State general fund/general purpose		**$**	**0**
(4) EMPLOYMENT SERVICES			
Full-time equated classified positions	8.0		
First responder presumed coverage claims		$	2,500,000
Wage and hour program—FTEs	8.0		0
GROSS APPROPRIATION		**$**	**2,500,000**
Appropriated from:			
Special revenue funds:			
First responder presumed coverage fund			2,500,000
State general fund/general purpose		**$**	**0**
(5) ONE-TIME APPROPRIATIONS			
Community development block grant - disaster recovery		$	43,570,000
Community enhancement grants			12,900,000
Legislatively directed spending items			120,000,000
Michigan rehabilitation services			9,467,300

		For Fiscal Year Ending Sept. 30, 2025
Michigan Works! skills scholarships	$	(1,000,000)
Michigan Works! skills scholarships		1,000,000
Transmission siting and economic development program		35,800,000
Unemployment insurance agency		5,570,300
GROSS APPROPRIATION	**$**	**227,307,600**
Appropriated from:		
Federal revenues:		
DED, vocational rehabilitation and independent living		9,467,300
Federal funds		35,800,000
HUD-CPD, community development block grant		43,570,000
State general fund/general purpose	**$**	**138,470,300**
Sec. 108. LEGISLATURE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**6,000,000**
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**6,000,000**
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	**$**	**6,000,000**
(2) ONE-TIME APPROPRIATIONS		
Senate	$	3,000,000
House of representatives		3,000,000
GROSS APPROPRIATION	**$**	**6,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**6,000,000**
Sec. 109. DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**5,453,600**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**5,453,600**
Federal revenues:		
Total federal revenues		3,053,600
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		2,400,000
State general fund/general purpose	**$**	**0**
(2) OCCUPATIONAL REGULATION		
Bureau of construction codes	$	5,453,600
GROSS APPROPRIATION	**$**	**5,453,600**
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants		3,053,600
Special revenue funds:		
Mobile home code fund		2,400,000
State general fund/general purpose	**$**	**0**
Sec. 110. DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**38,267,100**

		For Fiscal Year Ending Sept. 30, 2025
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**38,267,100**
Federal revenues:		
Total federal revenues		37,517,100
Special revenue funds:		
Total local revenues		0
Total private revenues		750,000
Total other state restricted revenues		0
State general fund/general purpose	**$**	**0**
(2) OFFICE OF EARLY CHILDHOOD EDUCATION		
Child development and care public assistance	$	37,517,100
Office of great start operations		750,000
GROSS APPROPRIATION	**$**	**38,267,100**
Appropriated from:		
Federal revenues:		
Federal funds		37,517,100
Special revenue funds:		
Private foundations		750,000
State general fund/general purpose	**$**	**0**
(3) ONE-TIME APPROPRIATIONS		
After-school programming extension	$	(300,000)
After-school programming extension		300,000
GROSS APPROPRIATION	**$**	**0**
Appropriated from:		
State general fund/general purpose	**$**	**0**
Sec. 111. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**0**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**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) MILITARY		
National Guard tuition assistance fund	$	(4,547,300)
GROSS APPROPRIATION	**$**	**(4,547,300)**
Appropriated from:		
State general fund/general purpose	**$**	**(4,547,300)**
(3) CAPITAL OUTLAY		
MVFA - land and acquisitions	$	4,547,300
GROSS APPROPRIATION	**$**	**4,547,300**
Appropriated from:		
State general fund/general purpose	**$**	**4,547,300**
Sec. 112. DEPARTMENT OF NATURAL RESOURCES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**40,030,700**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**40,030,700**

		For Fiscal Year Ending Sept. 30, 2025
Federal revenues:		
Total federal revenues	$	3,917,500
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		21,500,000
State general fund/general purpose	**$**	**14,613,200**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
Finance and operations	$	380,400
GROSS APPROPRIATION	**$**	**380,400**
Appropriated from:		
Federal revenues:		
Federal funds		380,400
State general fund/general purpose	**$**	**0**
(3) COMMUNICATION AND CUSTOMER SERVICE		
Michigan historical center	$	209,300
GROSS APPROPRIATION	**$**	**209,300**
Appropriated from:		
Federal funds		209,300
State general fund/general purpose	**$**	**0**
(4) WILDLIFE MANAGEMENT		
Wildlife management	$	500,000
GROSS APPROPRIATION	**$**	**500,000**
Appropriated from:		
Special revenue funds:		
Game and fish protection fund		500,000
State general fund/general purpose	**$**	**0**
(5) FISHERIES MANAGEMENT		
Fisheries resource management	$	1,100,000
GROSS APPROPRIATION	**$**	**1,100,000**
Appropriated from:		
Special revenue funds:		
Game and fish protection fund		1,100,000
State general fund/general purpose	**$**	**0**
(6) FOREST RESOURCES DIVISION		
Forest management and timber market development	$	827,800
GROSS APPROPRIATION	**$**	**827,800**
Appropriated from:		
Federal revenues:		
Federal funds		827,800
State general fund/general purpose	**$**	**0**
(7) RECREATIONAL LANDS AND INFRASTRUCTURE		
Dam infrastructure projects	$	2,500,000
Fisheries infrastructure		1,400,000
State game and wildlife area infrastructure		1,000,000
State parks repair and maintenance		15,000,000
GROSS APPROPRIATION	**$**	**19,900,000**
Appropriated from:		
Special revenue funds:		
Game and fish protection fund		4,900,000
Park improvement fund		15,000,000
State general fund/general purpose	**$**	**0**
(8) ONE-TIME APPROPRIATIONS		
Arctic Grayling fish passage	$	2,500,000

		For Fiscal Year Ending Sept. 30, 2025
Decree negotiations	$	613,200
Northern Michigan ice storm		14,000,000
GROSS APPROPRIATION	**$**	**17,113,200**
Appropriated from:		
Federal revenues:		
Federal funds		2,500,000
State general fund/general purpose	**$**	**14,613,200**
Sec. 113. DEPARTMENT OF STATE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**9,583,500**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**9,583,500**
Federal revenues:		
Total federal revenues		9,583,500
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	**$**	**0**
(2) ELECTION REGULATION		
Help America vote act	$	9,583,500
GROSS APPROPRIATION	**$**	**9,583,500**
Appropriated from:		
Federal revenues:		
Help America vote act - election security		9,583,500
State general fund/general purpose	**$**	**0**
Sec. 114. DEPARTMENT OF STATE POLICE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**855,546,800**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		300,000
ADJUSTED GROSS APPROPRIATION	**$**	**855,246,800**
Federal revenues:		
Total federal revenues		800,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		16,793,200
State general fund/general purpose	**$**	**38,453,600**
(2) LAW ENFORCEMENT SERVICES		
Biometrics and identification	$	1,100,000
Criminal justice information center		3,000,000
Forensic science		3,800,000
Grants and community services		3,250,000
Training operations		300,000
GROSS APPROPRIATION	**$**	**11,450,000**
Appropriated from:		
Interdepartmental grant revenues:		
IDT, Michigan justice training fund		300,000
Special revenue funds:		
Auto theft prevention fund		3,250,000
Criminal justice information center service fees		4,100,000
State services fee fund		3,800,000
State general fund/general purpose	**$**	**0**

		For Fiscal Year Ending Sept. 30, 2025
(3) FIELD SERVICES		
Post operations	$	31,096,800
GROSS APPROPRIATION	**$**	**31,096,800**
Appropriated from:		
Special revenue funds:		
Highway safety fund		715,200
Traffic law enforcement and safety fund		1,928,000
State general fund/general purpose	**$**	**28,453,600**
(4) SPECIALIZED SERVICES		
Emergency management and homeland security	$	800,000,000
Secondary road patrol program		3,000,000
GROSS APPROPRIATION	**$**	**803,000,000**
Appropriated from:		
Federal revenues:		
DHS		800,000,000
Special revenue funds:		
Secondary road patrol and training fund		3,000,000
State general fund/general purpose	**$**	**0**
(5) ONE-TIME APPROPRIATIONS		
Disaster and emergency contingency fund	$	10,000,000
GROSS APPROPRIATION	**$**	**10,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**10,000,000**
Sec. 115. STATE TRANSPORTATION DEPARTMENT		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**5,750,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**5,750,000**
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	**$**	**5,750,000**
(2) ONE-TIME APPROPRIATIONS		
Critical infrastructure projects	$	5,750,000
GROSS APPROPRIATION	**$**	**5,750,000**
Appropriated from:		
State general fund/general purpose	**$**	**5,750,000**
Sec. 116. DEPARTMENT OF TREASURY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**1,950,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**1,950,000**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		1,950,000
State general fund/general purpose	**$**	**0**

		For Fiscal Year Ending Sept. 30, 2025
(2) REVENUE SHARING		
City, village, and township revenue sharing	$	(333,547,300)
City, village, and township revenue sharing		333,547,300
County revenue sharing		(291,111,400)
County revenue sharing		291,111,400
GROSS APPROPRIATION	**$**	**0**
Appropriated from:		
Special revenue funds:		
Sales tax		0
State general fund/general purpose	**$**	**0**
(3) ONE-TIME APPROPRIATIONS		
Local prosecutor support grants	$	(16,750,000)
Local prosecutor support grants		16,750,000
GROSS APPROPRIATION	**$**	**0**
Appropriated from:		
State general fund/general purpose	**$**	**0**
(4) BUREAU OF STATE LOTTERY		
Lottery operations	$	1,950,000
GROSS APPROPRIATION	**$**	**1,950,000**
Appropriated from:		
Special revenue funds:		
State lottery fund		1,950,000
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, total state spending under part 1 from state sources is $1,207,861,100.00 and state spending under part 1 from state sources to be paid to local units of government is $262,996,600.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
Executive direction	$	2,281,000
Local community grants		129,104,400
Subtotal	**$**	**131,385,400**
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Autism services	$	32,137,300
Certified community behavioral health clinic demonstration		4,516,800
Child care fund		3,103,400
Healthy Michigan plan – behavioral health		6,205,400
Medicaid mental health services		69,791,200
Medicaid substance use disorder services		(3,332,200)
Subtotal	**$**	**112,421,900**
JUDICIARY		
Circuit court judicial salary standardization	$	68,600
OASI, social security		20,700
Subtotal	**$**	**89,300**
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
Michigan office of rural prosperity	$	350,000
Subtotal	**$**	**350,000**

		For Fiscal Year Ending Sept. 30, 2025
DEPARTMENT OF STATE POLICE		
Disaster and emergency contingency fund	$	10,000,000
Secondary road patrol program		3,000,000
Subtotal	**$**	**13,000,000**
STATE TRANSPORTATION DEPARTMENT		
Critical infrastructure projects	$	5,750,000
Subtotal	**$**	**5,750,000**
TOTAL	**$**	**262,996,600**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this article, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds for the particular department, board, commission, officer, or institution.

Sec. 204. As a condition of receiving funds under section 358, 463, 464, 465, 466, 467, 468, 469, 470, or 526, a grant recipient must agree to decline, not apply for, or not in any other way receive any funds the grant recipient may otherwise qualify for under section 517, 1019, 1050a, 1050b, 1051, 1053a, 1053b, or 1054 of article 9 of 2024 PA 121, if the funds appropriated under those sections of 2024 PA 121 were appropriated for a substantially similar purpose as the purposes described under section 358, 463, 464, 465, 466, 467, 468, 469, 470, or 526.

Sec. 205. (1) Not later than 30 days after enactment of this act, the legislature shall provide to each department for which appropriations are made under this act and the state budget director a list of legislatively directed spending items related to that department, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the applicable department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The applicable department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The applicable department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the applicable department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the applicable department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the applicable department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the applicable department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The applicable department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the applicable department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the applicable department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the applicable department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the applicable department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the applicable department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the applicable department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the applicable department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The applicable department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The applicable department shall include in the report the most comprehensive information the applicable department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the applicable department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the applicable department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

(11) As used in this section, "applicable department" means the department responsible for administering a legislatively directed spending item funded under part 1.

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

Sec. 301. The unexpended funds appropriated in part 1 for executive direction are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 remove and replace lead service lines.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $826,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 302. The unexpended funds appropriated in part 1 for federal - Great Lakes remedial action plan grants are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 clean up and remediate emerging contaminants.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $1,080,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 303. The unexpended funds appropriated in part 1 for Great Lakes restoration initiative are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 replace 4 undersized culverts in the Au Sable River system.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $5,500,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 304. The unexpended funds appropriated in part 1 for Great Lakes restoration initiative are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 preserve and protect natural water habitats.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $5,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 305. The unexpended funds appropriated in part 1 for water resource programs are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 preserve and protect this state's coastlines.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or grants.

(c) The total estimated cost of the project is $1,300,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 306. The unexpended funds appropriated in part 1 for water resource programs are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 improve oversight of high-risk dams and perform dam owner outreach.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $375,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 307. The unexpended funds appropriated in part 1 for energy programs are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 build vehicle infrastructure along Lake Michigan.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $5,000,000.00.

(d) The tentative completion date is September 30, 2026.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 351. (1) The department of health and human services may accept monetary and nonmonetary gifts, bequests, donations, contributions, or grants from any private or public source to support, in whole or in part, a departmental function or program. The department of health and human services shall expend or use such gifts, bequests, donations, contributions, or grants for the purposes designated by the private or public source, if the purpose is specified.

(2) In the demonstration projects line item, private revenue collected by the department of health and human services and amounts remaining in the fund under this section that are unexpended and unencumbered must not lapse to the general fund but must be carried forward to the subsequent fiscal year.

Sec. 352. The department of health and human services shall issue payments to Medicaid health plans implementing the capitation rates referenced in the state of Michigan department of health and human services actuarial rate certification report dated October 10, 2024.

Sec. 353. The unexpended funds appropriated in part 1 for nutrition education are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 facilitate nutrition education programs aimed at food assistance recipients.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $23,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 354. (1) The ARP - home- and community-based services projects fund exists within the state treasury.

(2) The state treasurer shall direct the investment of the ARP - home- and community-based services projects fund. Interest and earnings from the investment of money deposited in the ARP - home- and community-based services projects fund must be deposited in the general fund.

(3) The ARP HCBS match revenue - state general fund/general purpose appropriated in part 1 for ARP - home- and community-based services projects fund must be deposited into the ARP - home- and community-based services projects fund.

(4) Money in the ARP - home- and community-based services projects fund at the close of the fiscal year remains in the ARP - home- and community-based services projects fund and does not lapse to the general fund.

(5) From the ARP - home- and community-based services projects fund, the department of health and human services shall expend money in the ARP - home- and community-based services projects fund, along with any federal match, on activities to enhance, expand, or strengthen home- and community-based services pursuant to section 9817 of the federal American rescue plan act of 2021, Public Law 117-2, as follows:

(a) $16,100,000.00 is allocated and appropriated, along with any federal match for these funds, for adult home help respite services.

(b) $5,440,000.00 is allocated and appropriated, along with any federal match for these funds, for home- and community-based services eligibility expansion.

(c) $27,592,900.00 is allocated and appropriated, along with any federal match for these funds, for long-term care independent options counseling.

(d) $160,958,200.00 is allocated and appropriated, along with any federal match for these funds, for direct care worker training, credentialing, recruitment, support, and retention.

(e) $1,051,800.00 is allocated and appropriated, along with any federal match for these funds, for supported employment.

(f) $20,000,000.00 is allocated and appropriated, along with any federal match for these funds, for program of all-inclusive care for the elderly (PACE) infrastructure.

(g) $1,789,500.00 is allocated and appropriated, along with any federal match for these funds, for MI Choice presumptive eligibility.

(h) $10,000,000.00 is allocated and appropriated, along with any federal match for these funds, to reimburse providers of supportive housing services for eligible direct services. These funds must be used for services to individuals living in supportive housing who need additional supports to maintain employment and stability, and currently homeless individuals moving into supportive housing with rental support. The funds must be prioritized to households whose children are at risk of being placed in out-of-home care, households who are working toward reunification with children who are out of home, and youth aging out of the foster care system.

(i) $100,000.00 is allocated and appropriated, along with any available federal match for these funds, for 1-time provider stabilization and recovery support payments to eligible home- and community-based providers.

(j) $2,600,000.00 is allocated and appropriated, along with any available federal match for these funds, for a high-cost participant financial support pilot.

(k) $8,957,100.00 is allocated and appropriated, along with any available federal match for these funds, for MI Choice and community transition service infrastructure.

(6) If any appropriation authority for ARP - home- and community-based services projects remains after the completion of the projects listed in subsection (5), the department of health and human services may expend

remaining funds, and any available federal matching funds, for direct care worker training, credentialing, recruitment, support, and retention initiatives and additional 1-time provider stabilization and recovery support payments to eligible home- and community-based providers. The department of health and human services shall notify the senate and house appropriations committees and the senate and house appropriations subcommittees on health and human services of any expenditures made under this subsection. The notification must include a list of projects and their amounts as well as any other pertinent information.

(7) Unexpended funds appropriated in subsection (5) for ARP - home- and community-based services projects fund are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall 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, expand, or strengthen home- and community-based services and supports pursuant to section 9817 of the federal American rescue plan act of 2021, Public Law 117-2.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $590,589,500.00.

(d) The tentative completion date is September 30, 2029.

(8) The department of health and human services shall provide written notification to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the senate and house of representatives policy offices at least 5 business days prior to implementing any changes to the approved spending plan for the home- and community-based services provided under section 9817 of the federal American rescue plan act of 2021, Public Law 117-2.

(9) By February 1, the department of health and human services shall submit a comprehensive report to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the senate and house of representatives policy offices detailing the use of all home- and community-based services (HCBS) funds received under section 9817 of the federal American rescue plan act of 2021, Public Law 117-2. The report must include, but is not limited to, all of the following:

(a) Total funds received and total expenditures by fiscal year.

(b) Expenditures by category and by vendor or grantee.

(c) Program accomplishments and progress.

(d) Any unspent balances and projected future spending.

(e) A list of active contracts and grants associated with home- and community-based services (HCBS) funding.

Sec. 355. (1) From the funds appropriated in part 1 for ARP - strengthen public health infrastructure, workforce, data system, the department of health and human services shall expend $9,962,900.00 in federal funds to support data modernization and improve critical public health infrastructure.

(2) Unexpended funds appropriated in part 1 for ARP - strengthen public health infrastructure, workforce, data system are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the project has been completed. All of the following are 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 improve data modernization and infrastructure for public health.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The estimated cost of the project is $9,962,900.00.

(d) The tentative completion date is September 30, 2026.

Sec. 356. (1) From the funds appropriated in part 1 for federal COVID emerging infections program, the department shall expend $2,688,500.00 in federal funds to improve immunization record collection and data analysis and to update information technology systems.

(2) Unexpended funds appropriated in part 1 for federal COVID emerging infections program are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 improve data systems, analysis, and collection.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The estimated cost of the project is $2,688,500.00.

(d) The tentative completion date is September 30, 2026.

Sec. 357. (1) From the funds appropriated in part 1 for federal COVID epidemiology and laboratory capacity, the department of health and human services shall expend $61,000,000.00 in federal funds for epidemiology and laboratory capacity for infectious diseases.

(2) Unexpended funds appropriated in part 1 for federal COVID epidemiology and laboratory capacity are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 assist with infectious diseases epidemiology and laboratory capacity.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The estimated cost of the project is $61,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 358. (1) From the funds appropriated in part 1 for health services grants, $13,000,000.00 must be awarded to McLaren Northern Michigan for the purpose of renovating an existing emergency department to support mental health intake. This may include, but is not limited to, emergency unit safe rooms for behavioral health patients and an emergency psychiatric assessment, treatment, and healing (EmPATH) unit. Any established EmPATH unit shall provide immediate access to an emergency psychiatrist, and staff shall be trained for the needs of EmPATH unit patients.

(2) The unexpended funds appropriated in part 1 for health services grants are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 renovate an existing emergency department to support mental health intake.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $13,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 359. (1) The funds appropriated in part 1 for Medicaid health plan services are available to the department of health and human services to reimburse Medicaid health plans for any costs associated with actuarially sound capitated rates, amended capitated rates, accruals, or account payables that exceed other funds appropriated in part 1.

(2) The unexpended funds appropriated in part 1 for Medicaid health plan services are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 financially support actuarially sound capitated rates for Medicaid health plans.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $100,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 360. (1) From the funds appropriated in part 1 for prenatal and infant support program, the department of health and human services shall allocate $250,000,000.00 from the Healthy Michigan fund created in section 5953 of the public health code, 1978 PA 368, MCL 333.5953, to a 4-year university located in a county with a population between 284,000 and 285,000, according to the most recent federal decennial census, for an established program that has demonstrated improvements in the health and economic stability of households with expectant mothers and very young children.

(2) The department of health and human services shall execute a grant agreement with the grantee that is consistent with the department's standard grant requirements.

(3) Unexpended funds appropriated in part 1 for prenatal and infant support program are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 improve health and economic stability by providing unconditional allowances to expecting mothers and households that meet program eligibility requirements with at least 1 child who is less than 1 year of age in participating geographic regions.

(b) The project will be accomplished by utilizing contracts with service providers.

(c) The total estimated cost of the project is $250,000,000.00.

(d) The tentative completion date is September 30, 2029.

Sec. 361. The unexpended funds appropriated in part 1 for state psychiatric DSH disallowance are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 pay the second and third year of a 4-year repayment plan back to the federal government for state psychiatric disproportionate share hospital payments that the state inappropriately claimed prior to 2007.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $160,283,200.00.

(d) The tentative completion date is September 30, 2026.

JUDICIARY

Sec. 401. (1) From the funds appropriated in part 1 for status offender pilot program, the state court administrative office, under direction and supervision of the supreme court, shall establish a grant program to award 5 eligible courts with grants for innovative, community-based diversion programs and services that work solely with youth for whom the court receives a complaint, referral, or petition for what is alleged to be a status offense. The state court administrative office may partner with the department of health and human services and the Michigan committee on juvenile justice to identify and award grants to not more than 5 Michigan courts.

(2) Unexpended funds appropriated in part 1 for status offender pilot program are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 for selected courts to divert youth charged or alleged to have committed a status offense away from the juvenile court system.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $512,100.00.

(d) The tentative completion date is September 30, 2026.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 451. Unexpended funds appropriated in part 1 for community and worker economic transition office are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 provide grants to auto suppliers that are going through an industry transition.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $22,653,100.00.

(d) The tentative completion date is September 30, 2026.

Sec. 452. Unexpended funds appropriated in part 1 for Michigan office of rural prosperity are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 provide grants in support of community facility projects in rural communities.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $350,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 453. (1) From the funds appropriated in part 1 for legislatively directed spending items, $2,119,000.00 must be awarded to Allband Communications in Curran to assist with local matching requirements for the rural utility service reconnect program.

(2) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to American Legion Devereaux post 141 in Livingston County to support infrastructure improvements at the post.

(3) From the funds appropriated in part 1 for legislatively directed spending items, $2,537,600.00 must be awarded to the Barry County road commission to support the removal and replacement of a road and river crossing on Brown Road over the Little Thornapple River in Woodland Township.

(4) From the funds appropriated in part 1 for legislatively directed spending items, $920,000.00 must be awarded to Blendon Township in Ottawa County to address water security and water infrastructure needs.

(5) From the funds appropriated in part 1 for legislatively directed spending items, $737,000.00 must be awarded to the Calhoun County Sheriff's Office to support taser system upgrades for the Calhoun County Sheriff's Office, Albion Department of Public Safety, and Marshall Police Department.

(6) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Charlevoix Township in Charlevoix County to support the purchase of a replacement aerial platform fire truck.

(7) From the funds appropriated in part 1 for legislatively directed spending items, $4,400,000.00 must be awarded to the city of Davison in Genesee County to support road infrastructure repairs.

(8) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Flat Rock in Wayne County to support the purchase of a fire truck.

(9) From the funds appropriated in part 1 for legislatively directed spending items, $900,000.00 must be awarded to the city of Ishpeming in Marquette County to support the purchase of a fire truck.

(10) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Marine City in St. Clair County for development and upgrades at Guy Community Center.

(11) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the city of Monroe in Monroe County for a grade separation at the CSX rail crossing on West Elm Avenue.

(12) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to the city of Rockwood in Wayne County to support improvements at the wastewater treatment facility.

(13) From the funds appropriated in part 1 for legislatively directed spending items, $2,100,000.00 must be awarded to the city of Sterling Heights in Macomb County to support the purchase of a fire truck.

(14) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the Grand Rapids Art Museum to support infrastructure repairs and upgrades.

(15) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the Jackson Interfaith Shelter in Jackson County to support construction of additional shelter space and facilities.

(16) From the funds appropriated in part 1 for legislatively directed spending items, $1,935,000.00 must be awarded to Kawkawlin Township in Bay County for infrastructure to address flooding on South Linwood Beach Road.

(17) From the funds appropriated in part 1 for legislatively directed spending items, $1,800,000.00 must be awarded to the Kent County Youth Agricultural Association to support the development of the Grand Agricultural Center of West Michigan.

(18) From the funds appropriated in part 1 for legislatively directed spending items, $100,000.00 must be awarded to Kirtland Community College to support a timber harvester simulator.

(19) From the funds appropriated in part 1 for legislatively directed spending items, $2,410,400.00 must be awarded to the Lake Mitchell sewer authority in Wexford County for infrastructure repairs.

(20) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 must be awarded to Lake Superior Community Partnership in Marquette County to support strengthened air service and infrastructure investment at Marquette Sawyer Regional Airport.

(21) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 must be awarded to Macomb Township in Macomb County for creation of a boulevard and associated infrastructure.

(22) From the funds appropriated in part 1 for legislatively directed spending items, $1,320,000.00 must be awarded to Mecosta County for improvements to the Harding Road Bridge.

(23) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 must be awarded to the Oakland-Macomb interceptor drain drainage district in Macomb County to support construction of a new odor and corrosion control facility and associated costs.

(24) From the funds appropriated in part 1 for legislatively directed spending items, $400,000.00 must be awarded to Shelby Township in Oceana County to support a project to provide a turning lane on M-20.

(25) From the funds appropriated in part 1 for legislatively directed spending items, $900,000.00 must be awarded to Springfield Charter Township in Oakland County to support the installation of high-capacity community fire protection wells throughout the township.

(26) From the funds appropriated in part 1 for legislatively directed spending items, $421,000.00 must be awarded to the Troy school district in Oakland County to support projects to improve traffic flow at Smith Middle School.

Sec. 454. (1) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the Ingham County Land Bank located in Ingham County to support downpayment assistance, home rehabilitations, foreclosure prevention services, and the development of affordable and workforce housing.

(2) From the funds appropriated in part 1 for legislatively directed spending items, $600,000.00 must be awarded to the city of Mason in Ingham County to purchase a tanker truck and fire equipment.

(3) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the Ann Arbor Community Foundation for philanthropic initiatives aligned to its mission. Funds awarded under this subsection may be utilized by the recipient to issue subgrants to nonprofit organizations that will enhance community and public health, and lead to improved health outcomes. To ensure prompt execution, the department of labor and economic opportunity may award all funds described under this section to the grant recipient on execution of a grant agreement. As part of the grant agreement, the department of labor and economic opportunity may require the recipient to provide a report on the use of funds awarded and any related outcomes.

(4) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Grand Rapids African American Health Institute located in the city of Grand Rapids in Kent County to support community engagement, research, and education.

(5) From the funds appropriated in part 1 for legislatively directed spending items, $900,000.00 must be awarded to Mel Trotter Ministries located in the city of Grand Rapids in Kent County to support services for those experiencing hunger and homelessness.

(6) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Mosaic Counseling in the city of Grand Rapids in Kent County to support counseling services.

(7) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the Kent School Services Network located in Kent County to support the community school model in the county.

(8) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be allocated to the Michigan sentencing commission created in section 34a of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.34a, to support the activities of the Michigan sentencing commission.

(9) From the funds appropriated in part 1 for legislatively directed spending items, $150,000.00 must be awarded to the Living and Learning Center located in the city of Northville in Oakland County to support individuals with disabilities.

(10) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Oakland County Health Network located in the city of Pontiac in Oakland County to support infrastructure improvements.

(11) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Oakland County to support temporary housing.

(12) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be allocated by the Michigan state police to reimburse local law enforcement agencies for the cost of serving personal protection orders.

(13) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Gleaners Community Food Bank to support fresh food security network infrastructure.

(14) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Genesis HOPE located in the city of Detroit in Wayne County to support infrastructure improvements and senior programming.

(15) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the city of Flint in Genesee County to support improvements to the Haskell Community Center.

(16) From the funds appropriated in part 1 for legislatively directed spending items, $1,250,000.00 must be awarded to the Saint Mark Community Outreach Center to support services for mental health, youth programming, and food distribution.

(17) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Taylor in Wayne County to purchase municipal equipment and provide recreation infrastructure improvements.

(18) From the funds appropriated in part 1 for legislatively directed spending items, $200,000.00 must be awarded to the city of Ecorse in Wayne County to support park infrastructure improvements at Dora Gaines Park.

(19) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of St. Clair Shores in Macomb County to support nautical mile enhancements.

(20) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Chesterfield Township in Macomb County for a facilities building at Brandenburg Park.

(21) From the funds appropriated in part 1 for legislatively directed spending items, $1,700,000.00 must be awarded to the city of Grosse Pointe Park in Wayne County to support the Schaap Performing Arts Center.

(22) From the funds appropriated in part 1 for legislatively directed spending items, $404,000.00 must be awarded to the city of Manchester in Washtenaw County to support infrastructure improvements at an industrial park.

(23) From the funds appropriated in part 1 for legislatively directed spending items, $140,000.00 must be awarded to the Ypsilanti Historical Society located in Washtenaw County to support museum infrastructure improvements.

(24) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Trinity Health in Washtenaw County to support the Food is Medicine program.

(25) From the funds appropriated in part 1 for legislatively directed spending items, $130,000.00 must be awarded to the city of Eastpointe in Macomb County to support the purchase of fire equipment.

(26) From the funds appropriated in part 1 for legislatively directed spending items, $800,000.00 must be awarded to Roseville Community Schools to renovate science facilities.

(27) From the funds appropriated in part 1 for legislatively directed spending items, $40,000.00 must be awarded to Big Brothers Big Sisters of Southwest Michigan located in Kalamazoo County to support facility improvements.

(28) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the Douglass Community Association located in the city of Kalamazoo in Kalamazoo County to support ADA upgrades and technology improvements.

(29) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the city of Kalamazoo in Kalamazoo County to support the purchase of fire turnout gear.

(30) From the funds appropriated in part 1 for legislatively directed spending items, $85,000.00 must be awarded to the city of Huntington Woods in Oakland County to support HVAC upgrades.

(31) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to Say Detroit located in Wayne County to support out of school time programming.

(32) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Detroit Police Athletic League to support youth and community development programs.

(33) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to the Lighthouse of Oakland County located in Oakland County to support homelessness prevention and services.

(34) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Livonia in Wayne County to support the bridge widening component of the nonmotorized transportation infrastructure improvement project.

(35) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Inkster Cultural Center located in the city of Inkster in Wayne County to support operations.

(36) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to Schoolcraft Community College to support improvements to the masonry apprenticeship center.

(37) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must support the Huron Waterloo pathways initiative in Washtenaw County to support nonmotorized pathways.

(38) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Ann Arbor in Washtenaw County to support the Treeline Conservancy program and urban trail connections.

(39) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to the city of Jackson in Jackson County to provide improvements to the Ella Sharp Park trail.

(40) From the funds appropriated in part 1 for legislatively directed spending items, $950,000.00 must be awarded to Goodwill to support the Goodwill Flip the Script program.

(41) From the funds appropriated in part 1 for legislatively directed spending items, $800,000.00 must be awarded to the Michigan State Housing Development Authority for blight remediation and redevelopment costs in support of an affordable housing project in the city of Owosso in Shiawassee County.

(42) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Ingham County to support an engineering study and county water infrastructure projects.

(43) From the funds appropriated in part 1 for legislatively directed spending items, $350,000.00 must be awarded to Shiawassee County to support the Shiawassee County animal control.

(44) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Care Free Medical located in Ingham County for facility improvements and to provide services.

(45) From the funds appropriated in part 1 for legislatively directed spending items, $900,000.00 must be awarded to support improvements to the public safety dispatch center located in the city of Warren in Macomb County.

(46) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Sterling Heights in Macomb County to support improvements to the police training center.

(47) From the funds appropriated in part 1 for legislatively directed spending items, $1,301,000.00 must be awarded to the city of Allen Park in Wayne County to support the purchase of fire equipment and fire trucks.

(48) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to Bloomfield Township in Oakland County to support the purchase of police equipment and vehicles.

(49) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 must be awarded to the city of Hazel Park in Oakland County to support the purchase of fire equipment and trucks.

(50) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Beyond Basics located in the city of Farmington in Oakland County to support literacy and tutoring programs.

(51) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 shall be used to upgrade information technology hardware and software to enable the Michigan department of state to exchange data with a qualified international bridge or tunnel operator that enters into a tolling enforcement agreement with the Michigan department of state.

(52) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Center for Civil Justice located in the city of Flint to provide legal and technical assistance to low-income individuals and to pursue impact litigation that protects low-income and marginalized populations.

Sec. 455. (1) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 must be awarded to Ypsilanti Downtown Development Authority to support efforts to replace the Cross Street bridge.

(2) From the funds appropriated in part 1 for legislatively directed spending items, $1,200,000.00 must be awarded to Michigan Professional Fire Fighters Union in Trenton to organize a functional training seminar.

(3) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 must be awarded to Freedom River in Brighton to establish a state-of-the-art facility that provides comprehensive wellness services for veterans and their families.

(4) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Cass Lakeside Community Association in West Bloomfield Township to help repair the Algonquin Avenue Bridge.

(5) From the funds appropriated in part 1 for legislatively directed spending items, $210,000.00 must be awarded to the city of Wayne to support upgrades at Atwood Park.

(6) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 must be awarded to the city of Livonia to support the repair of a pavilion in Rotary Park.

(7) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Launch Michigan in Lansing to support their work to improve student outcomes.

(8) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to Ingham County to support the repair of the Lake Lansing dam.

(9) From the funds appropriated in part 1 for legislatively directed spending items, $810,000.00 must be awarded to Greater Grand Rapids Chamber Foundation in Grand Rapids to help provide housing and support services for individuals.

(10) From the funds appropriated in part 1 for legislatively directed spending items, $10,000,000.00 must be awarded to the city of Midland to support flood mitigation.

(11) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Romulus to support the purchase of a fire truck.

(12) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the city of St. Clair Shores Public Library to support facility renovations and improvement project.

(13) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 must be awarded to the city of Mount Clemens to support efforts to replace lead service lines.

(14) From the funds appropriated in part 1 for legislatively directed spending items, $1,200,000.00 must be awarded to the Saginaw County Road Commission to support the construction of on-site buildings and updates necessary to meet minimum environmental compliance regulations.

(15) From the funds appropriated in part 1 for legislatively directed spending items, $1,100,000.00 must be awarded to the city of Lathrup Village to support the replacement of a water main.

(16) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Special Olympics Michigan in Grand Rapids to support efforts to expand the Michigan Unified Champion Schools program across the state.

(17) From the funds appropriated in part 1 for legislatively directed spending items, $380,000.00 must be awarded to Canton Township to support the Michigan Avenue Innovation Network.

(18) From the funds appropriated in part 1 for legislatively directed spending items, $10,000,000.00 must be awarded to Wayne County Department of Public Services to support the bridge replacement project on West Road in Trenton.

(19) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 must be awarded to Muskegon County to support the redevelopment of blighted sites into housing.

(20) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to Diversified Community Services, Inc. in Detroit to support afterschool and summer programming in Wayne County.

Sec. 456. Unexpended funds appropriated in part 1 for legislatively directed spending items are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purposes for each of the projects are itemized in sections 453, 454, and 455 of this part.

(b) The projects will be accomplished by utilizing state employees, contracts with service providers, or both, or through grants.

(c) The total estimated cost of the projects is $120,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 457. Unexpended funds appropriated in part 1 for community development block grant - disaster recovery are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 support disaster recovery and resiliency efforts.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $43,570,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 458. Unexpended funds appropriated in part 1 for transmission siting and economic development program are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 establish apprenticeship programs for the utility industry, provide for weatherization of homes, and develop and leverage existing training programs for energy infrastructure workers.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $35,800,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 459. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $154,100,000.00 for state restricted contingency authorization for the department of labor and economic opportunity. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 460. All funds received in the prevailing wage fund created in section 25a of 2023 PA 10, MCL 408.1125a, are appropriated for the purposes allowable under 25a of 2023 PA 10, MCL 408.1125a.

Sec. 461. In addition to the funds appropriated in part 1, federal HUD-CPD community development block grant funding is appropriated to complete all program activities from prior program years ending with the 2022 program allocation per Executive Reorganization Order No. 2023-1, MCL 125.1999. These funds may be expended for the community development block grant program and administration of the program.

Sec. 462. Federal workforce innovation and opportunity vocational rehabilitation funding from prior years that is received in amounts in addition to those included in part 1 and that has already met state matching requirements is appropriated for the purposes intended. The department of labor and economic opportunity may carry forward into the succeeding fiscal year unexpended federal workforce innovation and opportunity vocational rehabilitation funding that does not require additional state matching funds.

Sec. 463. (1) From the funds appropriated in part 1 for community enhancement grants, $1,000,000.00 shall be awarded to a railroad history museum located in the city of Durand to support property improvements.

(2) Unexpended funds appropriated in part 1 for community enhancement grants and allocated in this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 support property improvements to a railway history museum.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $1,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 464. (1) From the funds appropriated in part 1 for community enhancement grants, $1,000,000.00 must be awarded to the Concert of Colors to support a diversity, music, and arts festival that is free to the public.

(2) Unexpended funds appropriated in part 1 for community enhancement grants and allocated in this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 support a diversity, music, and arts festival that is free to the public.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $1,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 465. (1) From the funds appropriated in part 1 for community enhancement grants, $1,000,000.00 shall be awarded to the city of Grosse Pointe Farms to support a seawall project.

(2) Unexpended funds appropriated in part 1 for community enhancement grants and allocated in this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 support a seawall project.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $1,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 466. (1) From the funds appropriated in part 1 for community enhancement grants, $3,000,000.00 shall be awarded to St. Lukes Community Center in the city of Flint to support infrastructure improvements at the center or another facility owned or operated by the center.

(2) Unexpended funds appropriated in part 1 for community enhancement grants and allocated in this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 support infrastructure improvements.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $3,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 467. (1) From the funds appropriated in part 1 for community enhancement grants, $4,000,000.00 must be awarded to the Jewish Federation of Detroit to implement community safety measures.

(2) Unexpended funds appropriated in part 1 for community enhancement grants and allocated in this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 implement community safety measures.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $4,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 468. (1) From the funds appropriated in part 1 for community enhancement grants, $1,900,000.00 must be awarded to the city of Cadillac. Funds must be used for permanent or temporary repairs to a failed culvert system, as well as other repairs that are necessary due to failure of the culvert system.

(2) Unexpended funds appropriated in part 1 for community enhancement grants and allocated in this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 for permanent or temporary repairs to a failed culvert system, or other repairs necessary due to failure of the culvert system.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $1,900,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 469. (1) From the funds appropriated in part 1 for community enhancement grants, $1,000,000.00 shall be awarded to Washtenaw County for road improvements.

(2) Unexpended funds appropriated in part 1 for community enhancement grants and allocated in this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 for road improvements.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $1,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 470. (1) Funds appropriated in part 1 for Michigan Works! skills scholarship must be made available to Michigan works agencies to provide residents of this state with tuition assistance to obtain an industry-recognized credential or certification in a high-demand occupation that aligns with this state's goal of increasing the percentage of working-age adults with a skill certificate or college degree to 60% by 2030.

(2) In order to qualify for tuition assistance under this section, an individual must satisfy all of the following requirements:

(a) Be a resident of this state.

(b) Be 21 years of age or older.

(c) Be a United States citizen or an alien qualified to receive public benefits.

(d) Be 1 of the following:

(*i*) An asset limited, income constrained employee.

(*ii*) Unemployed.

(*iii*) Underemployed.

(*iv*) A dislocated worker.

(*v*) An adult receiving public assistance.

(*vi*) An adult in need of a high school diploma or equivalent.

(*vii*) An adult living in a distressed community or an opportunity zone.

(*viii*) A member of another underrepresented population.

(3) A Michigan works agency that receives funding under this section shall provide necessary reporting data to the department of labor and economic opportunity in alignment with the federal workforce innovation and opportunity act, Public Law 113-128, reporting requirements.

(4) It is the intent of the legislature that the industry-recognized credentials received in conjunction with this section are intended to lead to employment at or above the asset limited, income constrained, employed level for the county in which the resident lives.

(5) A Michigan works agency that receives funding under this section shall work with the department of labor and economic opportunity to provide information and coordinate on how these funds work with other Michigan reconnect-eligible credential programs to ensure that applicants are aware of all their training options and that the program is not duplicative of other training programs.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Sec. 501. (1) The department of licensing and regulatory affairs may hire up to 4.0 limited-term employees to support enhanced investigation and enforcement activity related to unlicensed mobile home parks.

(2) Unexpended funds appropriated in part 1 for the bureau of construction codes are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be

available for expenditures under this section 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 support enhanced investigation and enforcement activity related to unlicensed mobile home parks.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $2,400,000.00.

(d) The tentative completion date of the project is September 30, 2026.

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

Sec. 526. (1) From the funds appropriated in part 1 for after-school programming extension, the department of lifelong education, advancement, and potential shall allocate $300,000.00 to Centro Multicultural la Familia, which lowers barriers to postsecondary education for disadvantaged youth and works with local program affiliates in different regions of this state.

(2) Any unexpended funds appropriated in part 1 for after-school programming extension are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the project has been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to lower barriers to postsecondary education for disadvantaged youth for the duration of the work project.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The estimated cost of the project is $300,000.00.

(d) The tentative completion date of the project is September 30, 2026.

DEPARTMENT OF NATURAL RESOURCES

Sec. 551. Unexpended funds appropriated in part 1 for Arctic Grayling fish passage are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 replace road-stream crossings on state forest lands.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or grants.

(c) The total estimated cost of the project is $2,500,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 552. The unexpended funds appropriated in part 1 for Northern Michigan ice storm are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 for the reforestation of state forest lands impacted by the Northern Michigan ice storm.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $14,000,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 553. From the funds appropriated in part 1, the department of natural resources may increase capacity by a total of 9.0 limited-term employees to facilitate the installation of high-speed internet infrastructure on department-managed lands.

DEPARTMENT OF STATE

Sec. 601. Unexpended funds appropriated in part 1 for help America vote act are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for election security initiatives in accordance with applicable law, including, but not limited to, the consolidated appropriations act, 2020, Public Law 116-93, and the further consolidated appropriations act, 2024, Public Law 118-47, as authorized in section 101 of the help America vote act of 2002, 52 USC 20901, and any other applicable federal and state rules and regulations. 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 support election security initiatives, including, but not limited to, election equipment upgrades, security and testing of voting systems, and election operation enhancements.

(b) The project will be accomplished by utilizing state employees, contracts with service providers, or both.

(c) The total estimated cost of the project is $9,583,500.00.

(d) The tentative completion date is September 30, 2026.

DEPARTMENT OF STATE POLICE

Sec. 651. General fund/general purpose funds appropriated in part 1 for disaster and emergency contingency fund shall be deposited into the disaster and emergency contingency fund created in section 18 of the emergency management act, 1976 PA 390, MCL 30.418.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 701. Proceeds received by this state through litigation against, or bankruptcy proceedings involving, Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services shall be used to reimburse ambulance service providers that are owed payment by Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services for services provided to the department of corrections during the years of 2023 and 2024. The amounts payable under this section shall be reduced by the amount of funds an ambulance service provider receives through litigation against, or bankruptcy proceedings involving, Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services. If, subsequent to payment provided by this state, an ambulance service provider receives payment for services from Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services, the amount recovered must be remitted to this state.

STATE TRANSPORTATION DEPARTMENT

Sec. 751. The state transportation department may hire up to 2.0 full-time employees to support the implementation of various aeronautics programs included in 2023 PA 119 and 2024 PA 121.

Sec. 752. (1) From the funds appropriated in part 1 for critical infrastructure projects, $750,000.00 must be allocated to Van Buren Charter Township for intersection safety improvements.

(2) Unexpended funds appropriated in part 1 for critical infrastructure projects and allocated under this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 for intersection safety improvements.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $750,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 753. (1) From the funds appropriated in part 1 for critical infrastructure projects, $5,000,000.00 must be allocated to Wayne County for a rail grade separation project.

(2) Unexpended funds appropriated in part 1 for critical infrastructure projects and allocated under this section are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section 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 for a rail grade separation project.

(b) The project will be accomplished by utilizing state employees, contracts with services providers, or both.

(c) The estimated cost of the project is $5,000,000.00.

(d) The tentative completion date is September 30, 2026.

DEPARTMENT OF TREASURY

Sec. 801. Revenue from the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, related to counties with a population of more than 2,000,000 according to the 2000 federal decennial census is appropriated and must be distributed in accordance with section 12(2)(e) of the tobacco products tax act, 1993 PA 327, MCL 205.432.

Sec. 802. (1) Funds appropriated in part 1 for city, village, and township revenue sharing are for grants to cities, villages, and townships and must be distributed as provided in this section.

(2) From the first $299,126,400.00 appropriated in part 1 for city, village, and township revenue sharing, each city, village, or township shall receive an amount equal to 100% of the revenue sharing payment for which the city, village, or township would have been eligible to receive under section 952 of article 5 of 2023 PA 119, rounded to the nearest dollar, regardless of whether any limitation or eligibility criteria under section 952 of article 5 of 2023 PA 119 was satisfied.

(3) The remaining amount appropriated in part 1 for city, village, and township revenue sharing after the distributions under subsection (2) must be distributed as follows:

(a) 1/3 shall be distributed as taxable value payments as provided under subsection (4).

(b) 1/3 must be distributed as unit type population payments as provided under subsection (5).

(c) 1/3 must be distributed as yield equalization payments as provided under subsection (6).

(4) A taxable value payment must be made to each city, village, and township, determined as follows:

(a) Determine the per capita taxable value for each city, village, and township by dividing the taxable value of that city, village, or township by the population of that city, village, or township.

(b) Determine the statewide per capita taxable value by dividing the total taxable value of all cities, villages, and townships by the total population of all cities, villages, and townships.

(c) Determine the per capita taxable value ratio for each city, village, and township by dividing the statewide per capita taxable value by the per capita taxable value for that city, village, or township.

(d) Determine the adjusted taxable value population for each city, village, and township by multiplying the per capita taxable value ratio as determined under subdivision (c) for that city, village, or township by the population of that city, village, or township.

(e) Determine the total statewide adjusted taxable value population, which is the sum of all adjusted taxable value population for all cities, villages, and townships.

(f) Determine the taxable value payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted taxable value population as determined under subdivision (e).

(g) Determine the taxable value payment for each city, village, and township by multiplying the result under subdivision (f) by the adjusted taxable value population for that city, village, or township.

(5) A unit type population payment must be made to each city, village, and township, determined as follows:

(a) Determine the unit type population weight factor for each city, village, and township as follows:

(*i*) For a township with a population of 5,000 or less, 1.0.

(*ii*) For a township with a population of more than 5,000 but less than 10,001, 1.2.

(*iii*) Except as otherwise provided in subparagraph (*xix*), for a township with a population of more than 10,000 but less than 20,001, 1.44.

(*iv*) For a township with a population of more than 20,000 but less than 40,001, 4.32.

(*v*) For a township with a population of more than 40,000 but less than 80,001, 5.18.

(*vi*) For a township with a population of more than 80,000, 6.22.

(*vii*) For a village with a population of 5,000 or less, 1.5.

(*viii*) For a village with a population of more than 5,000 but less than 10,001, 1.8.

(*ix*) For a village with a population of more than 10,000, 2.16.

(*x*) For a city with a population of 5,000 or less, 2.5.

(*xi*) For a city with a population of more than 5,000 but less than 10,001, 3.0.

(*xii*) For a city with a population of more than 10,000 but less than 20,001, 3.6.

(*xiii*) For a city with a population of more than 20,000 but less than 40,001, 4.32.

(*xiv*) For a city with a population of more than 40,000 but less than 80,001, 5.18.

(*xv*) For a city with a population of more than 80,000 but less than 160,001, 6.22.

(*xvi*) For a city with a population of more than 160,000 but less than 320,001, 7.46.

(*xvii*) For a city with a population of more than 320,000 but less than 640,001, 8.96.

(*xviii*) For a city with a population of more than 640,000, 10.75.

(*xix*) For a township that has a population of not less than 10,000 and provides documentation to the department of treasury that the township provides for or makes available all of the following, the unit type population weight factor for a city with the same population:

(A) Fire services.

(B) Police services on a 24-hour basis either through contracting for or directly employing personnel.

(C) Water services to 50% or more of its residents.

(D) Sewer services to 50% or more of its residents.

(b) Determine the adjusted unit type population for each city, village, and township by multiplying the unit type population weight factor for that city, village, or township as determined under subdivision (a) by the population of the city, village, or township.

(c) Determine the total statewide adjusted unit type population, which is the sum of the adjusted unit type population for all cities, villages, and townships.

(d) Determine the unit type population payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted unit type population as determined under subdivision (c).

(e) Determine the unit type population payment for each city, village, and township by multiplying the result under subdivision (d) by the adjusted unit type population for that city, village, or township.

(6) A yield equalization payment must be made to each city, village, and township in an amount that is sufficient to provide the guaranteed tax base for a local tax effort but not to exceed 0.02. The payment must be determined as follows:

(a) The guaranteed tax base is the maximum combined state and local per capita taxable value that can be guaranteed in a state fiscal year to each city, village, and township for a local tax effort, not to exceed 0.02, if an amount equal to the amount described in subsection (3)(c) is distributed to cities, villages, and townships whose per capita taxable value is below the guaranteed tax base.

(b) The full yield equalization payment to each city, village, and township is the product of the amounts determined under subparagraphs (*i*) and (*ii*):

(*i*) An amount greater than zero that is equal to the difference between the guaranteed tax base determined in subdivision (a) and the per capita taxable value of the city, village, or township.

(*ii*) The local tax effort of the city, village, or township, not to exceed 0.02, multiplied by the population of that city, village, or township.

(7) For purposes of this section, any city, village, or township that completely merges with another city, village, or township must be treated as a single entity so that when determining the eligible city, village, and township revenue sharing payment under section 952 of article 5 of 2023 PA 119 for the combined single entity, the city, village, and township revenue sharing amount that each of the merging local units of government was eligible to receive under section 952 of article 5 of 2023 PA 119 is summed.

Sec. 803. (1) Cities, villages, and townships receiving a payment under section 802(2) and counties receiving a payment under section 804(2) shall receive 1/6 of their total payment on the last business day of October, December, February, April, June, and August. On the last business day of February 2025, cities, villages, and townships receiving a payment under section 802(3) and counties receiving a payment under section 804(3) shall receive 50% of the estimated payment to be received under section 802(3) or 804(3), as applicable. On the last business day of June 2025, cities, villages, and townships receiving a payment under section 802(3) and counties receiving a payment under 804(3) shall receive any remaining payment calculated under section 802(3) or 804(3), as applicable.

(2) Payments distributed under section 802 or section 804 may be withheld in accordance with sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(3) If a city, village, or township that receives a payment under section 802 is determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, the city, village, or township must allocate to its pension unfunded liability an amount equal to 50% of the difference between its current year payment under section 802 and the amount the city, village, or township would have been eligible to receive under section 952 of article 5 of 2023 PA 119, rounded to the nearest dollar, regardless of whether any limitation or eligibility criteria under section 952 of article 5 of 2023 PA 119 was satisfied. A city, village, or township that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement.

(4) If a county that receives a payment under section 804 is determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, the county must allocate to its pension unfunded liability an amount equal to 50% of the difference between its current year payment under section 804 and the amount the county would have been eligible to receive under section 952(3) and section 955 of article 5 of 2023 PA 119, rounded to the nearest dollar, regardless of whether any limitation or eligibility criteria under section 952(3) and section 955 of article 5 of 2023 PA 119 was satisfied. A county that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement.

Sec. 804. (1) The funds appropriated in part 1 for county revenue sharing are for grants to counties and must be distributed as provided in this section.

(2) From the first $261,069,700.00 appropriated in part 1, each county shall receive an amount equal to 100% of the revenue sharing payment for which the county would have been eligible to receive under section 952(3) and section 955 of article 5 of 2023 PA 119, rounded to the nearest dollar, regardless of whether any limitation or eligibility criteria under sections 952 and 955 of article 5 of 2023 PA 119 was satisfied.

(3) From the remaining amount appropriated in part 1 for county revenue sharing after the distributions under subsection (2), a taxable value payment must be made to each county, determined as follows:

(a) Determine the per capita taxable value for each county by dividing the taxable value of that county by the population of that county.

(b) Determine the statewide per capita taxable value by dividing the total taxable value of all counties by the total population of all counties.

(c) Determine the per capita taxable value ratio for each county by dividing the statewide per capita taxable value by the per capita taxable value for that county.

(d) Determine the adjusted taxable value population for each county by multiplying the per capita taxable value ratio as determined under subdivision (c) for that county by the population of that county.

(e) Determine the total statewide adjusted taxable value population, which is the sum of all adjusted taxable value population for all counties.

(f) Determine the taxable value payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted taxable value population as determined under subdivision (e).

(g) Determine the taxable value payment for each county by multiplying the result under subdivision (f) by the adjusted taxable value population for that county.

Sec. 805. (1) From the funds appropriated in part 1 for local prosecutor support grants, the department of treasury shall award grants to eligible offices of county prosecutors to reduce the average caseloads per attorney. An office of a county prosecutor is eligible for a grant if the office meets all of the following requirements:

(a) The office receives, at a minimum, the same amount of funding from the county in fiscal year 2024-2025 as the office received from the county in fiscal year 2023-2024.

(b) The county in which the office is located is 1 of the 15 counties with the highest violent crime rate per 1,000 residents as determined for each county by dividing subparagraph (*i*) by subparagraph (*ii*) and then multiplying the result by 1,000:

(*i*) The total violent crime incidents reported for the county, as determined by the most recent annual crime report published by the department of state police that is available as of April 1 of the previous state fiscal year.

(*ii*) The total population of the county according to the most recent federal decennial census.

(c) The office applies for a grant in a form and manner determined by the department of treasury and includes with its application a proposed budget designating that grant proceeds will be used to support only costs that reduce the average caseload per attorney.

(d) The office submits a report that includes, at a minimum, the current number of staff, the average caseload per attorney, and the local funding that supports the office.

(2) Grants must be awarded to each qualifying office. The amount of the grant award to an office under subsection (1) must be the greater of the following, adjusted in accordance with subsection (3) or (4) if applicable:

(a) The amount received under section 991 of article 5 of 2023 PA 119.

(b) An amount equal to the product of $7.50 multiplied by the population of the county in which the office is located according to the most recent federal decennial census.

(3) If any grant money remains after determining the initial grant award amounts under subsection (2), each qualifying office must be awarded an additional amount determined by dividing the remaining amount of money available by the sum of the populations of each county in which a qualifying office is located and then multiplying the result by the population of the individual county in which the qualifying office is located.

(4) If the total amount appropriated for the local prosecutor support grants does not support the full grant amounts determined under subsection (2), then the grant amount determined under subsection (2) for each qualifying office must be reduced. The amount of the reduction must be determined by dividing the total amount determined under subsection (2) that exceeds the available appropriation by the sum of the populations of each county in which a qualifying office is located and then multiplying the result by the population of the individual county in which the qualifying office is located.

(5) The department of treasury shall not use any of the funds appropriated under this section for administration. The department of treasury shall submit a report to the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by August 31 that includes all of the following information:

(a) A list of all of the counties in which an office that received a grant under this section is located.

(b) The information required under subsection (1)(d).

(c) If an additional amount is awarded under subsection (3), the additional amount awarded to each qualifying office under subsection (3).

(d) If a reduction occurs under subsection (4), the amount of the reduction under subsection (4) for each qualifying office.

(e) The total amount awarded to each qualifying office under this section.

(6) As used in this section:

(a) "Office" means an office of a county prosecutor.

(b) "Qualifying office" means an office that meets all of the requirements of subsection (1).

Sec. 806. A term that is defined in the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, has the same meaning when used in sections 802, 803, and 804 of this part.

REPEALERS

Sec. 1101. Sections 949f, 952, 954, and 955 of article 5 of 2024 PA 121 are repealed.

Sec. 1102. Section 993 of article 5 of 2024 PA 121 is repealed.

Sec. 1103. Section 1028 of article 9 of 2024 PA 121 is repealed.

Sec. 1104. Section 1102 of article 11 of 2024 PA 121 is repealed.

Sec. 1105. Section 1201 of article 13 of 2024 PA 121 is repealed.

This act is ordered to take immediate effect.

Clerk of the House of Representatives

Secretary of the Senate

Approved_____

_____
Governor