

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2026; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

1 ARTICLE 1
2 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
3 PART 1
4 LINE-ITEM APPROPRIATIONS

1	DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT		
2	APPROPRIATION SUMMARY		
3	Full-time equated unclassified positions	6.0	
4	Full-time equated classified positions	485.5	
5	GROSS APPROPRIATION		\$ 102,895,200
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and		
8	intradepartmental transfers		336,600
9	ADJUSTED GROSS APPROPRIATION		\$ 102,558,600
10	Federal revenues:		
11	Total federal revenues		13,715,500
12	Special revenue funds:		
13	Total local revenues		0
14	Total private revenues		0
15	Total other state restricted revenues		42,736,300
16	State general fund/general purpose		\$ 46,106,800
17	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
18	SUPPORT		
19	Full-time equated unclassified positions	6.0	
20	Full-time equated classified positions	29.0	
21	Unclassified salaries--FTEs	6.0	\$ 1,033,200
22	Accounting service center		1,118,500
23	Emergency management--FTEs	6.0	2,303,100
24	Emerging contaminants in food and agriculture--		
25	FTEs	3.0	527,500
26	Executive direction--FTEs	20.0	2,354,600
27	Property management		745,700
28	GROSS APPROPRIATION		\$ 8,082,600



1	Appropriated from:		
2	Federal revenues:		
3	Deferred federal revenue funding		15,000
4	HHS, multiple grants		439,000
5	USDA, multiple grants		600,000
6	Special revenue funds:		
7	Agriculture licensing and inspection fees		143,100
8	Dairy and food safety fund		219,600
9	Feed control fund		8,100
10	Fertilizer control fund		10,600
11	Freshwater protection fund		202,100
12	Industry support funds		57,000
13	Michigan craft beverage council fund		8,800
14	Private forestland enhancement fund		16,300
15	Refined petroleum fund		21,000
16	Weights and measures regulation fees		5,000
17	State general fund/general purpose	\$	6,337,000
18	Sec. 103. INFORMATION TECHNOLOGY		
19	Information technology services and projects	\$	1,774,800
20	GROSS APPROPRIATION	\$	1,774,800
21	Appropriated from:		
22	Special revenue funds:		
23	Agriculture licensing and inspection fees		31,300
24	Dairy and food safety fund		76,400
25	Feed control fund		15,000
26	Fertilizer control fund		15,000
27	Freshwater protection fund		15,000
28	Gasoline inspection and testing fund		32,400

1	State general fund/general purpose		\$	1,589,700
2	Sec. 104. FOOD SAFETY AND ANIMAL HEALTH			
3	Full-time equated classified positions	198.0		
4	Animal disease prevention and response--FTEs	52.0	\$	7,316,300
5	Animal feed safety--FTEs	10.0		2,100,800
6	Food safety and quality assurance--FTEs	100.0		16,942,000
7	Indemnification - livestock depredation			15,000
8	Milk safety and quality assurance--FTEs	36.0		4,601,700
9	GROSS APPROPRIATION		\$	30,975,800
10	Appropriated from:			
11	Federal revenues:			
12	HHS, multiple grants			2,929,800
13	USDA, multiple grants			1,211,100
14	Special revenue funds:			
15	Agriculture licensing and inspection fees			73,300
16	Animal welfare fund			150,000
17	Consumer and industry food safety education			
18	fund			242,500
19	Dairy and food safety fund			5,780,700
20	Feed control fund			1,451,500
21	Industry food safety education fund			114,100
22	Marihuana regulatory fund			50,600
23	State general fund/general purpose		\$	18,972,200
24	Sec. 105. ENVIRONMENT AND SUSTAINABILITY			
25	Full-time equated classified positions	104.5		
26	Environmental stewardship - MAEAP--FTEs	26.0	\$	10,825,300
27	Local conservation districts			3,000,000
28	Pesticide and plant pest management--FTEs	72.0		7,253,500



1	Right-to-farm--FTEs	6.5	1,042,100
2	GROSS APPROPRIATION	\$	22,120,900
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	IDG from MDEGLE, biosolids		97,800
6	Federal revenues:		
7	Department of Interior		96,300
8	EPA, multiple grants		1,142,700
9	USDA, multiple grants		2,048,100
10	Special revenue funds:		
11	Agriculture licensing and inspection fees		411,700
12	Fertilizer control fund		1,372,700
13	Freshwater protection fund		8,528,400
14	Horticulture fund		70,000
15	Industrial hemp fund		685,700
16	Industry support funds		228,100
17	State general fund/general purpose	\$	7,439,400
18	Sec. 106. AGRICULTURE DEVELOPMENT		
19	Full-time equated classified positions	55.0	
20	Agricultural preservation easement grants	\$	1,900,000
21	Agriculture development--FTEs	12.0	3,186,500
22	Fair food network - double up food bucks		1,250,000
23	Farmland and open space preservation--FTEs	10.0	1,638,000
24	Food and agriculture investment program		2,000,000
25	Fruit and vegetable inspections--FTEs	8.0	1,308,100
26	Intercounty drain--FTEs	5.0	500,000
27	Migrant labor housing--FTEs	9.0	1,389,500
28	Producer security/grain dealers--FTEs	6.0	1,033,400



1	Qualified forest program--FTEs	4.0	1,080,100
2	Rural development fund grant program--FTE	1.0	2,008,200
3	GROSS APPROPRIATION	\$	17,293,800
4	Appropriated from:		
5	Federal revenues:		
6	USDA, multiple grants		1,731,600
7	Special revenue funds:		
8	Agricultural preservation fund		3,538,000
9	Agriculture licensing and inspection fees		5,100
10	Commodity inspection fees		700,300
11	Grain dealers fee fund		874,600
12	Industry support funds		193,600
13	Migratory labor housing fund		145,100
14	Private forestland enhancement fund		1,080,100
15	Rural development fund		2,008,200
16	State general fund/general purpose	\$	7,017,200
17	Sec. 107. LABORATORY AND CONSUMER PROTECTION		
18	Full-time equated classified positions	99.0	
19	Central licensing and customer call center--		
20	FTEs	13.0	\$ 1,031,500
21	Consumer protection program--FTEs	37.0	6,410,700
22	Laboratory services--FTEs	38.0	6,447,900
23	USDA monitoring--FTEs	11.0	1,725,100
24	GROSS APPROPRIATION	\$	15,615,200
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG from LARA (LCC), liquor quality testing		
28	fees		238,800



1	Federal revenues:		
2	EPA, multiple grants		180,600
3	HHS, multiple grants		1,576,300
4	USDA, multiple grants		1,745,000
5	Special revenue funds:		
6	Agriculture licensing and inspection fees		356,400
7	Dairy and food safety fund		532,500
8	Feed control fund		194,900
9	Fertilizer control fund		25,500
10	Freshwater protection fund		48,500
11	Gasoline inspection and testing fund		1,879,600
12	Grain dealers fee fund		8,200
13	Industrial hemp fund		323,200
14	Migratory labor housing fund		31,200
15	Refined petroleum fund		3,109,200
16	Testing fees		358,700
17	Weights and measures regulation fees		755,300
18	State general fund/general purpose	\$	4,251,300
19	Sec. 108. FAIRS AND EXPOSITIONS		
20	County fairs, shows, and expositions	\$	500,000
21	Fairs and racing		258,600
22	Horse racing advisory commission		125,000
23	Purses and supplements - fairs/licensed tracks		2,793,600
24	Standardbred breeders' awards		454,900
25	Standardbred purses and supplements - licensed		
26	tracks		2,100,000
27	Standardbred sire stakes		800,000
28	GROSS APPROPRIATION	\$	7,032,100



Appropriated from:

Special revenue funds:

Agriculture equine industry development fund	6,532,100
State general fund/general purpose	\$ 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 \$88,843,100.00 and total state spending under part 1 from state sources to be paid to local units of government is \$8,480,100.00. 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	1,100,000
Local conservation districts	3,000,000
Qualified forest program	1,080,100
Rural development fund grant program	1,400,000
TOTAL	\$ 8,480,100

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



1 development.

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

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

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

6 (e) "IDG" means interdepartmental grant.

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

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

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

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

18 (j) "TB" means tuberculosis.

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

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

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

28 (a) The funds must not be used for the purchase of foreign
29 goods or services, or both, if competitively priced and of



1 comparable quality American goods or services, or both, are
2 available.

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

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

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

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

24 (a) The dates of each travel occurrence.

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



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

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

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

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

28 (4) In addition to the funds appropriated in part 1, there is
29 appropriated an amount not to exceed \$100,000.00 for private



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

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

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

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

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

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

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

26 Sec. 215. On a quarterly basis, the department shall report on
27 the number of full-time equated positions in pay status by civil
28 service classification, including a comparison by line item of the
29 number of full-time equated positions authorized from funds



1 appropriated in part 1 to the actual number of full-time equated
2 positions employed by the department at the end of the reporting
3 period. The report must be submitted to the standard report
4 recipients and to the senate and house appropriations committees.

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

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

14 Sec. 222. The department shall submit a quarterly report that
15 summarizes all work project accounts. The report must include all
16 of the following:

17 (a) A list of all work project accounts.

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

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

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



1 particular department, board, commission, officer, or institution.

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

9 Sec. 225. (1) From the funds appropriated in part 1, the
10 department shall do the following:

11 (a) Report to the standard report recipients and to the senate
12 and house appropriations committees any amounts of severance pay
13 for a department director, deputy director, or other high-ranking
14 department official not later than 14 days after a severance
15 agreement with the director, deputy director, or official is
16 signed. The name of the director, deputy director, or official and
17 the amount of severance pay must be included in the report required
18 by this subdivision.

19 (b) Not later than February 1, report on the total amount of
20 severance pay remitted to former department employees during the
21 prior fiscal year and the total number of former department
22 employees that were remitted severance pay during the prior fiscal
23 year.

24 (2) As used in this section, "severance pay" means
25 compensation to which both of the following apply:

26 (a) The compensation is payable or paid upon the termination
27 of employment.

28 (b) The compensation is paid in addition to wages or benefits
29 earned during the course of employment or generally applicable



1 retirement benefits.

2 Sec. 226. (1) The department shall maximize the efficiency of
3 the state workforce. The department shall prioritize working in-
4 person 5 days per week for each division within the department.
5 Employees with job responsibilities that require the employees to
6 serve in their capacities outside of the office must report to the
7 office before beginning field work. Field service employees
8 include, but are not limited to, protective services workers,
9 parole and probation officers, conservation officers, state
10 troopers assigned to road patrol, inspectors, and construction and
11 trade workers.

12 (2) The department shall establish a policy and process for
13 verifying that all employees are working their jobs during normal
14 business hours.

15 (3) The department shall provide information on employee badge
16 scanning when requested by a member of the legislature.

17 Sec. 227. (1) Funds appropriated in part 1 that are used for
18 grants or grant programs are subject to the following conditions:

19 (a) Grant funds must be provided only to an entity that has
20 been established or is operating in this state or another state for
21 at least 36 months before approval or disbursement of grant funds.

22 (b) Grant funds must be provided only to an entity that has
23 had an office within this state or in the service area covered
24 under the grant for at least 12 months before approval or
25 disbursement of grant funds.

26 (c) Before awarding or disbursing grant funds, all grant
27 recipients must provide a spending plan that specifies the scope of
28 service, the program goals, the measurement for meeting program
29 goals, and how all grant funds will be used and must indicate if



1 any grant funds will be provided to a third party or subrecipient.

2 (d) Up to 20% of grant funds may be spent on administrative
3 costs and salaries. Up to 10% is authorized for contingencies.

4 (e) Each department or agency responsible for awarding or
5 disbursing grant funds must annually audit the entity's use of the
6 grant funds for each fiscal year in which the grant is active. Each
7 entity must submit information requested by the department to
8 confirm compliance.

9 (f) Each department and agency shall work with the office of
10 the auditor general to conduct an audit of the grant according to
11 generally accepted accounting practices and audit standards. The
12 office of the auditor general must be given access to all internal
13 and external records. All contracts or agreements between a
14 department or agency and a grant recipient or between a grant
15 recipient and a third party must include a clause granting the
16 office of the auditor general access to all internal and external
17 records.

18 (g) Grant recipients and their immediate family members are
19 prohibited from being employed by the executive branch or
20 legislative branch of this state. In addition, grant recipients are
21 prohibited from serving on any state board that has direct or
22 indirect responsibility for approving of or auditing grant funds
23 awarded or disbursed by any department or agency.

24 (h) Full and complete audits of grant funds issued by the
25 department or an agency of this state, without redaction unless
26 required by law, must be posted to the department's website in a
27 conspicuous place for public review.

28 (2) On a quarterly basis, the department shall submit a report
29 to the standard report recipients on legislatively sponsored grant



1 funds that includes, but is not limited to, all of the following:

2 (a) The name of each grant recipient and the status of each
3 grant.

4 (b) The amount distributed to each grant recipient.

5 (c) The remaining amount to be distributed to each grant
6 recipient.

7 (d) Any changes to scope or costs of program.

8 (3) The report under subsection (2) must include the following
9 statements made by the department:

10 (a) A statement that confirms the department reviewed and
11 affirmed compliance by each grant recipient to program scope and
12 expenditure of grant funding.

13 (b) A statement that confirms the department reviewed
14 applicable program reports and requests for reimbursement.

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

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

27 (3) The department shall not contract with any foreign
28 entities that are known or suspected to be enemies of the United
29 States or known foreign adversaries. Foreign adversaries include



1 all of the following:

2 (a) The People's Republic of China.

3 (b) The Russian Federation.

4 (c) The Islamic Republic of Iran.

5 (d) The Democratic People's Republic of Korea.

6 (e) The Republic of Cuba.

7 (f) The Venezuelan regime of Nicolás Maduro.

8 (g) The Syrian Arab Republic.

9 (h) An agency or other entity under significant control of a
10 country described in subdivisions (a) to (g).

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

15 Sec. 229. Funds appropriated in part 1 from state or federal
16 sources are prohibited from being used to provide services, grants,
17 or programming to an individual who is not a citizen of the United
18 States, unless the individual is a qualified alien as that term is
19 defined in 8 USC 1641. This section does not prohibit the
20 department, political subdivision, state university, or other state
21 agency from expending funds for the purpose of detaining
22 individuals who are not citizens of the United States, including
23 any costs associated with housing such individuals in county jails
24 or state correctional facilities.

25 Sec. 234. Total authorized appropriations from all sources
26 under part 1 for legacy costs for the fiscal year ending September
27 30, 2026 are estimated at \$8,872,800.00. From this amount, total
28 appropriations for pension-related legacy costs for the department
29 are estimated at \$8,002,700.00. Total appropriations for retiree



1 health care legacy costs for the department are estimated at
2 \$870,100.00.

3 Sec. 235. (1) The department shall maintain, on a publicly
4 accessible website, a department scorecard that identifies, tracks,
5 and updates on a quarterly basis key metrics that are used to
6 monitor and improve the department's performance.

7 (2) The department shall notify the standard report recipients
8 when the quarterly updates to the department scorecard are
9 available on a publicly accessible website.

10 Sec. 236. (1) Unless specifically authorized elsewhere in this
11 part or part 1, funds appropriated in part 1 must not be used to
12 pay for a state obligation that exceeds \$200,000.00 for a court-
13 approved judgment, settlement, award, or claim without prior
14 legislative approval.

15 (2) If a state obligation for a court-approved judgment,
16 settlement, award, or claim results in a change from current
17 statute, the department shall notify the legislature.

18 (3) This section does not apply to compensation and other
19 relief to individuals wrongfully imprisoned as required under the
20 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
21 to 691.1757.

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



1 Sec. 238. State funds must not be used for diversity, equity,
2 and inclusion, or DEI, initiatives or programs or as outlined in
3 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
4 Radical and Wasteful Government DEI Programs and Preferencing",
5 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
6 Women from Gender Ideology Extremism and Restoring Biological Truth
7 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
8 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
9 Merit-Based Opportunity".

10
11 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

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

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

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

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

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



1 (3) The department shall notify the subcommittees, the fiscal
2 agencies, and the state budget office 30 days before proposing
3 changes in fees authorized under this section or under section 5 of
4 1915 PA 91, MCL 285.35.

5 (4) On or before February 1 of each year, the department shall
6 provide a report to the subcommittees, the fiscal agencies, and the
7 state budget office detailing all the fees charged by the
8 department under the authorization provided in this section,
9 including, but not limited to, rates, number of individuals paying
10 each fee, and the revenue generated by each fee in the previous
11 fiscal year.

12 Sec. 302. (1) The department may contract with or provide
13 grants to local units of government, institutions of higher
14 education, or nonprofit organizations to support activities
15 authorized by appropriations in part 1.

16 (2) The department shall provide notice of contracts or grants
17 authorized under this section to the subcommittees, the fiscal
18 agencies, and the state budget office not later than 7 days before
19 the department notifies contract or grant recipients.

20 (3) As used in this section:

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

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

28 Sec. 303. From the funds appropriated in part 1 for emerging
29 contaminants in food and agriculture the department shall support



1 efforts to identify and respond to the impacts of emerging
2 contaminants to the food and agriculture sector, help address and
3 mitigate current issues caused by emerging contaminants, and work
4 to prevent and minimize future impacts. The department shall
5 coordinate these efforts with other state agencies, federal
6 agencies, tribal governments, local governments, institutions of
7 higher learning, and the food and agriculture sector. Emerging
8 contaminants include, but are not limited to, pesticides, dioxins,
9 and per- and polyfluoroalkyl substances.

10
11 **BUREAU OF FOOD SAFETY AND ANIMAL HEALTH**

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

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

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

25 (a) The reason for the indemnification.

26 (b) The amount of the indemnification.

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

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



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

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

12 Sec. 404. From the funds appropriated in part 1 for animal
13 disease prevention and response, the department shall use
14 \$200,000.00 to cover costs associated with testing of registered
15 privately owned cervid facilities as follows:

16 (a) Required surveillance testing for chronic wasting disease.

17 (b) Infected herd bovine TB testing.

18 Sec. 405. (1) On or before October 15 of each year, the
19 department shall provide to the subcommittees, the fiscal agencies,
20 and the state budget office a report on bovine TB status and
21 department activities.

22 (2) For each fiscal quarter following the report required in
23 subsection (1), the department shall provide an update. The
24 quarterly update reports must identify significant impacts to the
25 program, including new incidence of bovine TB in this state,
26 department activity associated with specific new incidence of
27 bovine TB, any changes in USDA requirements or movement orders, and
28 information and data on wildlife risk mitigation plan
29 implementation in the modified accredited zone; implementation of a



1 movement certificate process; progress toward annual surveillance
2 test requirements; efforts to work with slaughter facilities in
3 this state, as well as those that slaughter a significant number of
4 animals from this state; and educational programs and information
5 for this state's livestock community.

6
7 **BUREAU OF ENVIRONMENT AND SUSTAINABILITY**

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

11 Sec. 505. The funds appropriated in part 1 for environmental
12 stewardship/MAEAP must be used to support department agriculture
13 pollution prevention programs, including groundwater and freshwater
14 protection programs under part 87 of the natural resources and
15 environmental protection act, 1994 PA 451, MCL 324.8701 to
16 324.8717, and technical assistance in implementing conservation
17 grants available under the federal farm bill.

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

24 Sec. 507. From the appropriations in part 1 for local
25 conservation districts, \$3,000,000.00 must be distributed equally
26 through a grant program to local conservation districts in this
27 state that were in operation in the previous fiscal year.

28
29 **LABORATORY AND CONSUMER PROTECTION BUREAU**



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

3 Sec. 602. No funds from the appropriations in part 1 may be
4 used for the purpose of consolidating state-run laboratories.
5

6 **AGRICULTURE DEVELOPMENT BUREAU**

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

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

12 (a) Expand the Michigan food and agriculture sector.

13 (b) Promote food security.

14 (c) Develop local and regional food systems.

15 (d) Grow Michigan exports.

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

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

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

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



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

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

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

20 (6) The unexpended funds appropriated in part 1 for the food
21 and agriculture investment program are designated as a work project
22 appropriation, and any unencumbered or unallotted funds do not
23 lapse at the end of the fiscal year and are available for
24 expenditures for projects under this section until the projects
25 have been completed. The following is in compliance with section
26 451a(1) of the management and budget act, 1984 PA 431, MCL
27 18.1451a:

28 (a) The purpose of the project is to promote and expand the
29 Michigan food and agriculture sector, grow Michigan exports, and



1 increase food processing activities within the state.

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

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

6 (d) The tentative completion date for the work project is
7 September 30, 2027.

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

11 (a) Grants.

12 (b) Loans or loan guarantees.

13 (c) Infrastructure development.

14 (d) Other economic assistance.

15 (e) Program administration.

16 (f) Export assistance.

17 (8) The department shall expend no more than 3% from the funds
18 appropriated in part 1 for the food and agriculture investment
19 program for administrative purposes.

20 Sec. 703. (1) From the funds appropriated in part 1 for fair
21 food network - double up food bucks, the department shall work with
22 the fair food network to ensure that at least 95% of the funds
23 allocated to the double up food bucks program are directly used for
24 the payments to participating vendors.

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

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



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

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

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

12 (a) Counties in this state with participating double up food
13 bucks vendors, the number of vendors by county, and the name and
14 location of vendors, as of May 1, 2023.

15 (b) Counties in this state with participating double up food
16 bucks vendors, the number of vendors by county, and the name of
17 location of vendors, as of May 1, 2024. The report must highlight
18 counties and vendors added to the program since May 1, 2023.

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

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

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

27 (a) The name of the grantee.

28 (b) The amount of the grant.

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



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

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

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

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

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

12 (c) Grants awarded during the previous fiscal year and the
13 results of research grant projects completed during the previous
14 fiscal year.

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

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

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

28 Sec. 709. From the funds appropriated in part 1, the
29 department shall maintain coordination with the department of



1 treasury to improve the timely processing and issuance of tax
2 credits under section 36109 of the natural resources and
3 environmental protection act, 1994 PA 451, MCL 324.36109, for the
4 Michigan's farmland and open space preservation program under parts
5 361 and 362 of the natural resources and environmental protection
6 act, 1994 PA 451, MCL 324.36101 to 324.36116 and 324.36201 to
7 324.36207. The improvement of timely processing and issuance, as
8 described in this section, includes, but is not limited to:

9 (a) Timely review of mailed applications and paperwork.

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

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

14 Sec. 710. The department shall collaborate with the department
15 of labor and economic opportunity's office of rural prosperity on
16 the rural development fund grant program as part of the state's
17 coordinated strategy for achieving rural prosperity across the
18 state. In awarding grants from the rural development fund, the
19 department shall give priority to projects promoting land-based
20 industries and supporting infrastructure in this state's prosperity
21 region 1.

22 23 **FAIRS AND EXPOSITIONS**

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

29 Sec. 802. From the funds appropriated in part 1 from



1 agriculture equine industry development funds, available revenue
2 must be allocated in the following priority order:

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

6 (b) Any remaining funds collected through September 30, 2025,
7 after the obligations in subdivision (a) have been met, must be
8 prorated among the county fairs, supplements, breeders' awards, and
9 sire stakes awards to eligible race meeting licensees in accordance
10 with section 20 of the horse racing law of 1995, 1995 PA 279, MCL
11 431.320.

12 Sec. 803. From the funds appropriated in part 1 from purses
13 and supplements - fairs/licensed tracks, \$720,000.00 may be spent
14 only if there is no standardbred race meeting in this state that is
15 licensed under the horse racing law of 1995, 1995 PA 279, MCL
16 431.301 to 431.336, by January 1, 2026.

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

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

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

26 (2) The department shall award grants on a competitive basis
27 to county fairs or other organizations from the funds appropriated
28 in part 1 for county fairs, shows, and expositions grants. Grantees
29 will be required to provide a 50% cash match with grant awards and



1 identify measurable project outcomes. A county fair organization
2 that received a county fair capital improvement grant in the prior
3 fiscal year must not receive a grant from the appropriation in part
4 1.

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

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

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

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

21 (7) The unexpended portion of the appropriation in part 1 for
22 county fairs, shows, and expositions grants are designated as a
23 work project appropriation and any unencumbered or unallotted funds
24 do not lapse at the end of the fiscal year and are available for
25 expenditures for projects under this section until the projects
26 have been completed. The following is in compliance with section
27 451a(1) of the management and budget act, 1984 PA 431, MCL
28 18.1451a:

29 (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	12,436.0
--	----------

GROSS APPROPRIATION	\$ 2,118,858,500
----------------------------	-------------------------

Interdepartmental grant revenues:



1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	ADJUSTED GROSS APPROPRIATION	\$	2,118,858,500
4	Federal revenues:		
5	Total federal revenues		5,192,100
6	Special revenue funds:		
7	Total local revenues		275,000
8	Total private revenues		0
9	Total other state restricted revenues		30,064,000
10	State general fund/general purpose	\$	2,083,327,400
11	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
12	SUPPORT		
13	Full-time equated unclassified positions	16.0	
14	Full-time equated classified positions	345.0	
15	Unclassified salaries--FTEs	16.0	\$ 2,058,500
16	Administrative hearings officers		4,029,100
17	Budget and operations administration--FTEs	255.0	37,842,600
18	County jail reimbursement program		14,814,600
19	Employee wellness programming--FTEs	8.0	2,386,900
20	Executive direction--FTEs	22.0	4,637,800
21	Judicial data warehouse user fees		50,600
22	New custody staff training		23,514,500
23	Pay increases for corrections officers		50,000,000
24	Prison industries operations--FTEs	60.0	10,249,000
25	Property management		2,558,600
26	Prosecutorial and detainer expenses		2,801,000
27	Worker's compensation		8,770,900
28	GROSS APPROPRIATION	\$	163,714,100



1	Appropriated from:		
2	Federal revenues:		
3	DOJ, prison rape elimination act grant		674,700
4	Special revenue funds:		
5	Correctional industries revolving fund		10,249,000
6	Correctional industries revolving fund 110		721,600
7	Jail reimbursement program fund		5,900,000
8	State general fund/general purpose	\$	146,168,800
9	Sec. 103. OFFENDER SUCCESS ADMINISTRATION		
10	Full-time equated classified positions	343.9	
11	Community corrections comprehensive plans and		
12	services		\$ 14,198,100
13	Education/skilled trades/career readiness		
14	programs--FTEs	259.9	39,089,800
15	Enhanced food technology program--FTEs	11.0	1,696,000
16	Higher education in prison		1,250,000
17	Offender success community partners		19,175,000
18	Offender success federal grants		751,000
19	Offender success programming		15,742,200
20	Offender success services--FTEs	73.0	15,829,600
21	Probation residential services		14,575,500
22	GROSS APPROPRIATION	\$	122,307,200
23	Appropriated from:		
24	Federal revenues:		
25	DOJ, prisoner reintegration		751,000
26	Federal education revenues		1,627,200
27	State general fund/general purpose	\$	119,929,000
28	Sec. 104. FIELD OPERATIONS ADMINISTRATION		



1	Full-time equated classified positions	1,530.5		
2	Field operations--FTEs	1,499.5	\$	188,223,700
3	Parole board operations--FTEs	31.0		4,032,400
4	Parole/probation services			940,000
5	GROSS APPROPRIATION		\$	193,196,100
6	Appropriated from:			
7	Special revenue funds:			
8	Community tether program reimbursement			275,000
9	Reentry center offender reimbursements			10,000
10	Supervision fees			6,630,500
11	Supervision fees set-aside			940,000
12	State general fund/general purpose		\$	185,340,600
13	Sec. 105. CORRECTIONAL FACILITIES ADMINISTRATION			
14	Full-time equated classified positions	656.0		
15	Body-worn cameras--FTEs	8.0	\$	3,811,700
16	Central records--FTEs	43.0		5,078,100
17	Contraband prevention			1,000,000
18	Correctional facilities administration--FTEs	35.0		6,642,200
19	Housing inmates in federal institutions			511,000
20	Intelligence unit--FTEs	30.0		4,045,100
21	Prison food service--FTEs	299.0		73,484,400
22	Prison store operations--FTEs	32.0		3,606,600
23	Transportation--FTEs	209.0		32,889,900
24	GROSS APPROPRIATION		\$	131,069,000
25	Appropriated from:			
26	Federal revenues:			
27	DOJ-BOP, federal prisoner reimbursement			411,000
28	SSA-SSI, incentive payment			272,000



1	Special revenue funds:		
2	Correctional industries revolving fund 110		880,500
3	Resident stores		3,606,600
4	State general fund/general purpose	\$	125,898,900
5	Sec. 106. HEALTH CARE		
6	Full-time equated classified positions	1,425.3	
7	Clinical complexes--FTEs	933.3	\$ 161,311,400
8	Health care administration--FTEs	18.0	3,746,800
9	Healthy Michigan plan administration--FTEs	12.0	1,057,100
10	Hepatitis C treatment		10,499,100
11	Interdepartmental grant to health and human		
12	services, eligibility specialists		120,200
13	Mental health and substance use disorder		
14	treatment services--FTEs	462.0	67,446,200
15	Prisoner health care services		117,540,700
16	Vaccination program		691,200
17	GROSS APPROPRIATION	\$	362,412,700
18	Appropriated from:		
19	Federal revenues:		
20	Federal revenues and reimbursements		421,400
21	Special revenue funds:		
22	Prisoner health care co-payments		257,200
23	State general fund/general purpose	\$	361,734,100
24	Sec. 107. CORRECTIONAL FACILITIES		
25	Full-time equated classified positions	8,135.3	
26	Alger Correctional Facility - Munising--FTEs	259.0	\$ 34,505,300
27	Baraga Correctional Facility - Baraga--FTEs	295.8	40,611,700



1	Bellamy Creek Correctional Facility - Ionia--		
2	FTEs	403.9	52,607,100
3	Carson City Correctional Facility - Carson		
4	City--FTEs	411.9	54,403,300
5	Central Michigan Correctional Facility - St.		
6	Louis--FTEs	385.1	52,789,100
7	Charles E. Egeler Correctional Facility -		
8	Jackson--FTEs	372.8	49,980,900
9	Chippewa Correctional Facility - Kincheloe--		
10	FTEs	427.8	56,252,900
11	Cooper Street Correctional Facility - Jackson--		
12	FTEs	245.2	32,088,900
13	Earnest C. Brooks Correctional Facility -		
14	Muskegon--FTEs	246.0	34,588,000
15	G. Robert Cotton Correctional Facility -		
16	Jackson--FTEs	378.0	48,768,000
17	Gus Harrison Correctional Facility - Adrian--		
18	FTEs	296.9	40,343,100
19	Ionia Correctional Facility - Ionia--FTEs	288.8	39,015,400
20	Kinross Correctional Facility - Kincheloe--FTEs	240.5	34,663,100
21	Lakeland Correctional Facility - Coldwater--		
22	FTEs	267.6	36,817,700
23	Macomb Correctional Facility - New Haven--FTEs	307.2	42,160,600
24	Marquette Branch Prison - Marquette--FTEs	319.7	42,617,500
25	Muskegon Correctional Facility - Muskegon--FTEs	216.3	31,162,600
26	Newberry Correctional Facility - Newberry--FTEs	197.4	27,681,200
27	Oaks Correctional Facility - Eastlake--FTEs	287.5	40,037,800
28	Parnall Correctional Facility - Jackson--FTEs	258.5	33,289,700



1	Richard A. Handlon Correctional Facility -		
2	Ionia--FTEs	262.4	35,963,800
3	Saginaw Correctional Facility - Freeland--FTEs	273.3	37,686,200
4	Special Alternative Incarceration Program -		
5	Jackson--FTEs	26.2	4,104,300
6	St. Louis Correctional Facility - St. Louis--		
7	FTEs	304.0	43,069,200
8	Thumb Correctional Facility - Lapeer--FTEs	291.5	40,633,700
9	Women's Huron Valley Correctional Complex -		
10	Ypsilanti--FTEs	486.0	64,482,600
11	Woodland Correctional Facility - Whitmore Lake-		
12	-FTEs	293.7	41,797,100
13	Northern region administration and support--		
14	FTEs	41.4	4,476,100
15	Southern region administration and support--		
16	FTEs	50.9	19,273,800
17	GROSS APPROPRIATION	\$	1,115,870,700
18	Appropriated from:		
19	Federal revenues:		
20	DOJ, state criminal assistance program		1,034,800
21	Special revenue funds:		
22	State restricted fees, revenues, and		
23	reimbursements		102,100
24	State general fund/general purpose	\$	1,114,733,800
25	Sec. 108. INFORMATION TECHNOLOGY		
26	Information technology services and projects	\$	26,842,300
27	GROSS APPROPRIATION	\$	26,842,300
28	Appropriated from:		



Special revenue funds:

Correctional industries revolving fund 110	155,500
--	---------

Supervision fees set-aside	611,000
----------------------------	---------

State general fund/general purpose	\$ 26,075,800
---	----------------------

Sec. 109. ONE-TIME APPROPRIATIONS

Correctional facility count and callout process

automation	\$ 3,446,400
------------	--------------

GROSS APPROPRIATION	\$ 3,446,400
----------------------------	---------------------

Appropriated from:

State general fund/general purpose	\$ 3,446,400
---	---------------------

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 \$2,113,391,400.00 and total state spending under part 1 from state sources to be paid to local units of government is \$119,542,400.00. 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	14,814,600
-----------------------------------	------------

Field Operations	73,153,200
------------------	------------

Probation residential services	14,575,500
--------------------------------	------------



1	Prosecutorial and detainer expenses	2,801,000
2	TOTAL	\$ 119,542,400

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

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

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

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

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

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

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

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

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

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

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

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

29 (k) "Offender success" means that an offender has, with the



1 support of the community, intervention of the field agent, and
2 benefit of any participation in programs and treatment, made an
3 adjustment while at liberty in the community such that the offender
4 has not been sentenced to or returned to prison for the conviction
5 of a new crime or the revocation of probation or parole.

6 (l) "Recidivism" means that term as defined in section 1 of
7 2017 PA 5, MCL 798.31.

8 (m) "Serious emotional disturbance" means that term as defined
9 in section 100d(3) of the mental health code, 1974 PA 258, MCL
10 330.1100d.

11 (n) "Serious mental illness" means that term as defined in
12 section 100d(4) of the mental health code, 1974 PA 258, MCL
13 330.1100d.

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

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

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

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

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



1 (a) The funds must not be used for the purchase of foreign
2 goods or services, or both, if competitively priced and of
3 comparable quality American goods or services, or both, are
4 available.

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

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

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

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

27 (a) The dates of each travel occurrence.

28 (b) The total transportation and related costs of each travel
29 occurrence and the proportions funded with state general



1 fund/general purpose revenues, state restricted revenues, federal
2 revenues, local revenues, and private revenues, including specific
3 sources of state restricted, federal, local, and private revenues.

4 Sec. 208. Not later than December 15, the state budget office
5 shall prepare and submit a report that provides estimates of the
6 total general fund/general purpose appropriation lapses at the
7 close of the previous fiscal year. The report must summarize the
8 projected year-end general fund/general purpose appropriation
9 lapses by major departmental program or program area. The state
10 budget office shall submit the report to the standard report
11 recipients and to the chairpersons of the senate and house
12 appropriations committees.

13 Sec. 209. (1) In addition to the funds appropriated in part 1,
14 there is appropriated an amount not to exceed \$2,500,000.00 for
15 federal contingency authorization. Amounts appropriated are not
16 available for expenditure until they have been transferred to
17 another line item in part 1 under section 393(2) of the management
18 and budget act, 1984 PA 431, MCL 18.1393.

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

25 Sec. 210. (1) The department shall cooperate with the
26 department of technology, management, and budget to maintain a
27 searchable website accessible by the public at no cost that
28 includes, but is not limited to, all of the following for the
29 department:



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

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

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

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

9 Sec. 211. Not later than 14 days after the release of the
10 executive budget recommendation, the department shall cooperate
11 with the state budget office to provide an annual report on
12 estimated state restricted fund balances, state restricted fund
13 projected revenues, and state restricted fund expenditures for the
14 previous 2 fiscal years. The report must be submitted to the
15 standard report recipients and to the chairpersons of the senate
16 and house appropriations committees.

17 Sec. 212. Total authorized appropriations from all sources
18 under part 1 for legacy costs for the fiscal year ending September
19 30, 2026 are estimated at \$165,581,500.00. From this amount, total
20 appropriations for pension-related legacy costs for the department
21 are estimated at \$149,344,200.00. Total appropriations for retiree
22 health care legacy costs for the department are estimated at
23 \$16,237,300.00.

24 Sec. 213. (1) The department shall maintain, on a publicly
25 accessible website, a department scorecard that identifies, tracks,
26 and updates on a quarterly basis key metrics that are used to
27 monitor and improve the department's performance.

28 (2) The department shall notify the standard report recipients
29 when the quarterly updates to the department scorecard are



1 available on a publicly accessible website.

2 Sec. 214. On a quarterly basis, the department shall report on
3 the number of full-time equated positions in pay status by civil
4 service classification, including a comparison by line item of the
5 number of full-time equated positions authorized from funds
6 appropriated in part 1 to the actual number of full-time equated
7 positions employed by the department at the end of the reporting
8 period. The report must be submitted to the standard report
9 recipients and to the senate and house appropriations committees.

10 Sec. 215. If the state administrative board, acting under
11 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
12 appropriated under part 1, the legislature may, by a concurrent
13 resolution adopted by a majority of the members elected to and
14 serving in each house, intertransfer funds within part 1 for the
15 particular department, board, commission, officer, or institution.

16 Sec. 216. The department shall receive and retain copies of
17 all reports funded from appropriations in part 1. The department
18 shall follow federal and state law and guidelines for short-term
19 and long-term retention of records. The department may
20 electronically retain copies of reports unless otherwise required
21 by federal and state guidelines.

22 Sec. 217. Not later than April 1, the department shall report
23 on each specific policy change made to implement a public act
24 affecting the department that took effect during the previous
25 calendar year. The report must include reference to the public act
26 that necessitates the policy change. The department shall submit
27 the report to the standard report recipients, the senate and house
28 appropriations committees, the joint committee on administrative
29 rules, the senate standing committee on civil rights, judiciary,



1 and public safety, and the house standing committee on judiciary.

2 Sec. 218. To the extent possible, the department shall not
3 expend appropriations under part 1 until all existing authorized
4 work project funds available for the same purposes are exhausted.

5 Sec. 219. The department shall submit a quarterly report that
6 summarizes all work project accounts. The report must include all
7 of the following:

8 (a) A list of all work project accounts.

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

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

16 Sec. 220. (1) From the funds appropriated in part 1, the
17 department shall do the following:

18 (a) Report to the standard report recipients and to the senate
19 and house appropriations committees any amounts of severance pay
20 for a department director, deputy director, or other high-ranking
21 department official not later than 14 days after a severance
22 agreement with the director, deputy director, or official is
23 signed. The name of the director, deputy director, or official and
24 the amount of severance pay must be included in the report required
25 by this subdivision.

26 (b) Not later than February 1, report on the total amount of
27 severance pay remitted to former department employees during the
28 previous fiscal year and the total number of former department
29 employees that were remitted severance pay during the previous



1 fiscal year.

2 (2) As used in this section, "severance pay" means
3 compensation to which both of the following apply:

4 (a) The compensation is payable or paid upon the termination
5 of employment.

6 (b) The compensation is paid in addition to wages or benefits
7 earned during the course of employment or generally applicable
8 retirement benefits.

9 Sec. 221. (1) The department shall maximize the efficiency of
10 the state workforce. The department shall prioritize employees
11 working in person 5 days per week for each division within the
12 department. Employees with job responsibilities that require the
13 employees to serve in their capacities outside of the office must
14 report to the office before beginning field work. Field service
15 employees include, but are not limited to, protective services
16 workers, parole and probation officers, conservation officers,
17 state troopers assigned to road patrol, inspectors, and
18 construction and trade workers.

19 (2) The department shall establish a policy and a process for
20 verifying that all employees are working their jobs during normal
21 business hours.

22 (3) The department shall provide information on employee badge
23 scanning when requested by a member of the legislature.

24 Sec. 222. (1) Funds appropriated in part 1 that are used for
25 grants or grant programs are subject to all of the following
26 conditions:

27 (a) Grant funds must be provided only to an entity that has
28 been established or is operating in this state or another state for
29 at least 36 months before approval or disbursement of grant funds.



1 (b) Grant funds must be provided only to an entity that has
2 had an office within this state or in the service area covered
3 under the grant for at least 12 months before approval or
4 disbursement of grant funds.

5 (c) Before awarding or disbursing grant funds, all grant
6 recipients must provide a spending plan that specifies the scope of
7 service, the program goals, the measurement for meeting program
8 goals, and how all grant funds will be used and must indicate if
9 any grant funds will be provided to a third party or subrecipient.

10 (d) Up to 20% of grant funds may be spent on administrative
11 costs and salaries. Up to 10% is authorized for contingencies.

12 (e) Each department or agency responsible for awarding or
13 disbursing grant funds must annually audit the entity's use of the
14 grant funds for each fiscal year in which the grant is active. Each
15 entity must submit information requested by the department to
16 confirm compliance.

17 (f) Each department and agency shall work with the office of
18 the auditor general to conduct an audit of the grant according to
19 generally accepted accounting practices and audit standards. The
20 office of the auditor general must be given access to all internal
21 and external records. All contracts or agreements between a
22 department or agency and a grant recipient or between a grant
23 recipient and a third party must include a clause granting the
24 office of the auditor general access to all internal and external
25 records.

26 (g) Grant recipients and their immediate family members are
27 prohibited from being employed by the executive branch or
28 legislative branch of this state. In addition, grant recipients are
29 prohibited from serving on any state board that has direct or



1 indirect responsibility for approving or auditing grant funds
2 awarded or disbursed by any department or agency.

3 (h) Full and complete audits of grant funds issued by the
4 department or an agency of this state, without redaction unless
5 required by law, must be posted to the department's website in a
6 conspicuous place for public review.

7 (2) On a quarterly basis, the department shall submit a report
8 to the standard report recipients on legislatively sponsored grant
9 funds that includes, but is not limited to, all of the following:

10 (a) The name of each grant recipient and the status of each
11 grant.

12 (b) The amount distributed to each grant recipient.

13 (c) The remaining amount to be distributed to each grant
14 recipient.

15 (d) Any changes to scope or costs of program.

16 (3) The report under subsection (2) must include the following
17 statements made by the department:

18 (a) A statement that confirms the department reviewed and
19 affirmed compliance by each grant recipient to program scope and
20 expenditure of grant funding.

21 (b) A statement that confirms the department reviewed
22 applicable program reports and requests for reimbursement.

23 Sec. 223. (1) The department shall require as a condition of
24 each contract or subcontract that the prequalified contractor or
25 prequalified subcontractor agree to use the E-Verify system to
26 verify that all persons hired during the contract term by the
27 contractor or subcontractor are legally present and authorized to
28 work in the United States.

29 (2) The department may verify this information directly or may



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

6 (3) The department shall not contract with any foreign
7 entities that are known or suspected to be enemies of the United
8 States or known foreign adversaries. Foreign adversaries include
9 all of the following:

10 (a) The People's Republic of China.

11 (b) The Russian Federation.

12 (c) The Islamic Republic of Iran.

13 (d) The Democratic People's Republic of Korea.

14 (e) The Republic of Cuba.

15 (f) The Venezuelan regime of Nicolás Maduro.

16 (g) The Syrian Arab Republic.

17 (h) An agency or other entity under significant control of a
18 country described in subdivisions (a) to (g).

19 (4) As used in this section, "E-Verify" means an internet-
20 based system operated by the Department of Homeland Security, U.S.
21 Citizenship and Immigration Services in partnership with the Social
22 Security Administration.

23 Sec. 224. Funds appropriated in part 1 from state or federal
24 sources are prohibited from being used to provide services, grants,
25 or programming to an individual who is not a citizen of the United
26 States, unless the individual is a qualified alien as that term is
27 defined in 8 USC 1641. This section does not prohibit the
28 department, political subdivision, state university, or other state
29 agency from expending funds for the purpose of detaining



1 individuals who are not citizens of the United States, including
2 any costs associated with housing such individuals in county jails
3 or state correctional facilities.

4 Sec. 225. (1) Unless specifically authorized elsewhere in this
5 part or part 1, funds appropriated in part 1 must not be used to
6 pay for a state obligation that exceeds \$200,000.00 for a court-
7 approved judgment, settlement, award, or claim without prior
8 legislative approval.

9 (2) If a state obligation for a court-approved judgment,
10 settlement, award, or claim results in a change from current
11 statute, the department shall notify the legislature.

12 (3) This section does not apply to compensation and other
13 relief to individuals wrongfully imprisoned as required under the
14 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
15 to 691.1757.

16 Sec. 226. Not later than November 15, the department shall
17 disclose on a publicly accessible website private and other third-
18 party funds received by the department in the previous fiscal year.
19 The report must include the amount of funding received, the
20 specific source of funding received, the purpose for which funding
21 was expended, and the amount of any remaining funds. The report
22 must be submitted to the standard report recipients and to the
23 chairpersons of the senate and house appropriations committees.

24 Sec. 227. State funds must not be used for diversity, equity,
25 and inclusion, or DEI, initiatives or programs or as outlined in
26 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
27 Radical and Wasteful Government DEI Programs and Preferencing",
28 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
29 Women from Gender Ideology Extremism and Restoring Biological Truth



1 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
2 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
3 Merit-Based Opportunity".
4

5 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

15 Sec. 302. (1) From the unexpended and unencumbered funds
16 appropriated in 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA
17 121 that were designated as work project appropriations, the
18 department shall work with the state budget director to lapse a
19 total of \$50,000,000.00. The \$50,000,000.00 in work project lapse
20 funds must be made available for expenditure by the department to
21 support the pay increases for corrections officers appropriation
22 included in section 102 of part 1.

23 (2) Pay increases for corrections officers must be in addition
24 to pay step increases approved by the civil service commission and
25 effective October 1, 2025, and pay rate structure changes approved
26 by the civil service commission and effective October 1, 2024. The
27 civil service commission must approve a letter of understanding
28 between the office of the state employer and the Michigan
29 corrections organization that specifies the terms of the agreement



1 to increase pay for corrections officers.

2 Sec. 303. From the funds appropriated in part 1, the
3 department shall submit a report not later than March 1 on the
4 department's staff retention strategies. The report must include,
5 but not be limited to, all of the following:

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

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

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

16 Sec. 304. (1) From the funds appropriated in part 1, the
17 department shall submit a report not later than March 1 on the
18 number of employee departures. The report must include all of the
19 following:

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

23 (b) A chart that shows the normal distribution of employee
24 departures in the positions described under subdivision (a) based
25 on years of service. Years of service must be grouped into the
26 following ranges: 1 to 3 years, 3 to 5 years, 5 to 10 years, 10 to
27 15 years, 15 to 20 years, and 20 and more years.

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



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

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

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

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

11 Sec. 305. Funds appropriated in part 1 for prosecutorial and
12 detainer expenses must be used to reimburse counties for housing
13 and custody of parole violators and offenders being returned by the
14 department from community placement who are available for return to
15 institutional status and for prisoners who volunteer for placement
16 in a county jail.

17 Sec. 306. The department shall provide fiduciary oversight of
18 funds received under the local corrections officers training act,
19 2003 PA 125, MCL 791.531 to 791.546.

20 Sec. 307. From the funds appropriated in part 1, the
21 department shall issue a report not later than March 1 for all
22 vendor contracts. The report must cover service contracts with a
23 value of \$500,000.00 or more and include all of the following:

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

26 (b) The number of available option years.

27 (c) The number, if any, of contract compliance monitoring site
28 visits completed by the department for each vendor.

29 (d) The number and amount of fines, if any, for service-level



1 agreement noncompliance for each vendor broken down by area of
2 noncompliance.

3 Sec. 308. The department must ensure that a prisoner telephone
4 system is maintained. The prisoner telephone system must meet
5 ongoing operational needs of the department while maintaining the
6 lowest per-minute rate possible. The department must provide notice
7 at least 45 days in advance of each of the following taking effect:

8 (a) Changes to telephone rates.

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

11 (c) Rebidding the telephone contract.

12 Sec. 309. From the funds appropriated in part 1, the
13 department shall provide for the training of all custody staff in
14 effective and safe ways of handling prisoners with mental illness
15 and referring prisoners to mental health treatment programs. Mental
16 health awareness training must be incorporated into the training of
17 new custody staff.

18 Sec. 310. From the funds appropriated in part 1, the
19 department shall issue a report for all correctional facilities not
20 later than January 1 that includes all of the following information
21 for each facility:

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

23 (b) The current maintenance costs.

24 (c) Any maintenance planned.

25 (d) The current utility costs.

26 (e) The expected future capital improvement costs.

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

29 (g) The expected future useful life.



1 Sec. 311. From the funds appropriated in part 1, the
2 department shall provide a report on the Michigan state industries
3 program not later than December 1. The report must include, but is
4 not limited to, all of the following information:

5 (a) The locations of the programs.

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

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

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

11 Sec. 312. (1) Funds appropriated in part 1 for employee
12 wellness programming must be used for post-traumatic stress
13 outreach, treating mental health issues, peer support programs, and
14 providing mental health programming for all department staff,
15 including former employees.

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

20 Sec. 313. (1) From the funds appropriated in part 1 for new
21 custody staff, the department shall work to hire and train new
22 corrections officers to address attrition of corrections officers
23 and to decrease overtime costs. The department shall submit
24 quarterly reports on new employee schools. The reports must include
25 all of the following information for the immediately preceding
26 fiscal quarter, and as much of the information as possible for the
27 current and next fiscal year:

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



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

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

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

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

12 (b) External sources of recruitment, including advertisements.

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

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

18 Sec. 314. From the funds appropriated in part 1, the
19 department shall submit a quarterly report on the number of
20 overtime hours worked by all custody staff, by facility. The report
21 must include, for each facility, the reasons for overtime hours
22 worked and the average number of overtime hours worked by active
23 employees.

24 Sec. 315. From the funds appropriated in part 1, the
25 department may establish agreements and exchange offender data with
26 local, state, and federal agencies, law enforcement, community
27 service and treatment providers, and research partners in order to
28 improve offender success, reduce recidivism risk, and enhance
29 public safety. This data sharing may include, but is not limited



1 to, efforts to support all of the following:

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

4 (b) Establishing assistance program eligibility and
5 participation.

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

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

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

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

14 (g) Determining educational attainment and needs.

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

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

19 Sec. 316. From the funds appropriated in part 1, the
20 department shall submit 3-year and 5-year prison population
21 projection updates not later than April 1, including explanations
22 of the methodology and assumptions used in developing the
23 projection updates.

24 Sec. 317. From the funds appropriated in part 1, the
25 department shall place the statistical report from the immediately
26 preceding calendar year on the department's website not later than
27 June 30. The statistical report must include, but not be limited
28 to, the information as provided in the 2004 statistical report.

29 Sec. 318. From the funds appropriated in part 1, the



1 department shall report the reincarceration recidivism rates of
2 offenders based on available data.

3 Sec. 319. (1) The department shall administer a county jail
4 reimbursement program from the funds appropriated in part 1 for the
5 purpose of reimbursing counties for housing in jails certain felons
6 who otherwise would have been sentenced to prison.

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

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

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

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

26 (3) State reimbursement under this section must be \$70.00 per
27 diem per diverted offender for offenders with a presumptive prison
28 guideline score, \$60.00 per diem per diverted offender for
29 offenders with a straddle cell guideline for a group 1 crime, and



1 \$45.00 per diem per diverted offender for offenders with a straddle
2 cell guideline for a group 2 crime. Reimbursements must be paid for
3 sentences up to a 1-year total.

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

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

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

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

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

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

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

29 (e) The total amount paid to counties under each of the 3



1 categories: presumptive prison, group 1 crime, and group 2 crime in
2 subsection (3).

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

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

9 (7) As used in this section:

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

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

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

29 Sec. 320. (1) From the funds appropriated in part 1, the



1 department shall provide all of the following information on the
2 offender population in a monthly report:

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

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

8 (c) Electronic monitoring populations.

9 (d) Parole populations.

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

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

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

17 (b) The number of prisoners serving life sentences.

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

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

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

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

28 Sec. 321. (1) On a quarterly basis, the department shall
29 report on all of the following:



1 (a) A detailed accounting of all vacant positions that exist
2 within the department.

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

6 (c) A detailed accounting of all vacant positions that are
7 health care related.

8 (d) A detailed accounting of vacant positions that are being
9 held open for temporarily nonactive employees.

10 (2) As used in this section, "vacant position" means any
11 position that has not been filled at any time during the past 6
12 calendar months.

13 Sec. 322. The department may charge fees and collect revenues
14 in excess of appropriations in part 1 not to exceed the cost of
15 offender services and programming, employee meals, parolee loans,
16 academic/vocational services, custody escorts, compassionate
17 visits, union steward activities, and public works programs and
18 services provided to local units of government or private nonprofit
19 organizations. The revenues and fees collected are appropriated for
20 all expenses associated with these services and activities.

21 Sec. 323. It is the intent of the legislature that the
22 department establish and maintain a management-to-staff ratio of
23 not more than 1 supervisor for each 8 employees at the department's
24 central office in Lansing and at both the northern and southern
25 region administration offices.

26
27 **OFFENDER SUCCESS ADMINISTRATION**

28 Sec. 401. (1) From the funds appropriated in part 1, the
29 department shall provide a report not later than March 1 on



1 offender success expenditures, allocations, and performance. The
2 report must include, but not be limited to, details on prior-year
3 expenditures, including amounts spent on each project funded,
4 itemized by service provided and service provider. Reported
5 performance factors must be reported by region and must include,
6 but not be limited to, all of the following:

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

26 Sec. 407. From the funds appropriated in part 1, the
27 department shall establish and maintain policies and procedures
28 that assist prisoners with obtaining a birth certificate, duplicate
29 Social Security card, if eligible, DD Form 214 or other military



1 documentation, state identification card, and operator's license
2 before parole or discharge.

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

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

12 (a) Expenditure of funds.

13 (b) Number of participants served.

14 (c) Enrollments, by race and gender.

15 (d) Number of participants who completed the program.

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

25 Sec. 410. (1) From the funds appropriated in part 1 for
26 offender success programming, the department shall establish
27 medication-assisted treatment offender success pilot programs. A
28 medication-assisted treatment offender success pilot program must
29 provide prerelease treatment and postrelease referral for opioid-



1 or alcohol-addicted offenders who voluntarily participate in a
2 medication-assisted treatment offender success pilot program. The
3 department shall collaborate with residential and nonresidential
4 substance use disorder treatment providers and with community-based
5 clinics to provide postrelease assessment and treatment. The
6 programs shall employ a multifaceted approach to treatment,
7 including various forms of medication-assisted treatment approved
8 by the Food and Drug Administration for the treatment of opioid use
9 disorder or alcohol use disorder, counseling, and postrelease
10 referral to community-based providers. If clinically appropriate,
11 the department shall consider the use of long-acting injectable
12 formulations of FDA-approved medication-assisted treatment for
13 alcohol and opioid use disorder when developing an offender's
14 release plan.

15 (2) The department shall submit a report not later than
16 December 1 on all of the following:

17 (a) The number of offenders who received an injectable
18 treatment for alcohol use disorder.

19 (b) The number of offenders who received an injectable
20 treatment for opioid use disorder before release.

21 (c) The number of offenders who subsequently received
22 treatment in the community for a duration of not less than 3
23 months.

24 (d) The number of offenders who received injections and were
25 subsequently returned to prison during the previous fiscal year.

26 Sec. 411. From the funds appropriated in part 1, the
27 department shall ensure that any inmate with a diagnosed mental
28 illness is referred to a local mental health care provider that is
29 able and willing to treat the inmate upon parole or discharge. Upon



1 referral, the department shall ensure that the provider is informed
2 of the inmate's current treatment plan including any medications
3 that are currently prescribed to the inmate.

4 Sec. 412. From the funds appropriated in part 1, the
5 department shall report not later than March 1 on academic and
6 vocational programs, including, but not limited to, all of the
7 following:

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

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

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

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

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

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

24 Sec. 413. From the funds appropriated in part 1, priority may
25 be given to funding reentry or rehabilitation programs, including
26 faith-based initiatives, that have been demonstrated to reduce
27 prison violence and recidivism.

28 Sec. 414. Revenues appropriated and collected for program and
29 special equipment funds must be considered state restricted



1 revenue. Funding must be used for prisoner programming, special
2 equipment, and security projects. Not less than 75% of funding must
3 be used for prisoner programming. Unexpended funds remaining at the
4 close of the fiscal year must not lapse to the general fund but
5 must be carried forward and made available for appropriation in
6 subsequent fiscal years.

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

13
14 **FIELD OPERATIONS ADMINISTRATION**

15 Sec. 501. From the funds appropriated in part 1, the
16 department shall prepare individual reports not later than March 1
17 for the residential reentry program, the electronic monitoring
18 program, and the special alternative to incarceration program. Each
19 program's report must include information on all of the following:

20 (a) Monthly new participants by type of offender. Residential
21 reentry program participants must be categorized by reason for
22 placement. For technical rule violators, the report must sort
23 offenders by length of time since release from prison, by the most
24 recent violation, and by the number of violations occurring since
25 release from prison.

26 (b) Monthly participant unsuccessful terminations, including
27 cause.

28 (c) Number of successful terminations.

29 (d) End-of-month population by facility and program.



1 (e) Average length of placement.

2 (f) Return to prison statistics.

3 (g) Description of each program location or locations,
4 capacity, and staffing.

5 (h) Sentencing guideline scores and actual sentence statistics
6 for participants, if applicable.

7 (i) Comparison with previous year statistics.

8 (j) Analysis of the impact on prison admissions, jail
9 utilization, and the cost effectiveness of the program.

10 Sec. 502. (1) From the funds appropriated in part 1, the
11 department shall review and revise as necessary policy proposals
12 that provide alternatives to prison for offenders being sentenced
13 to prison as a result of technical probation violations and
14 technical parole violations. To the extent the department has
15 insufficient policies or resources to affect the continued increase
16 in prison commitments among these offender populations, from the
17 funds appropriated in part 1, the department shall explore other
18 policy options to allow for program alternatives, including
19 department or OCC-funded programs, local level programs, and
20 programs available through private agencies that may be used as
21 prison alternatives for these offenders.

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

29 (a) The numbers of parole and probation violators returned to



1 or sent to prison for a new crime with a comparison of original
2 versus new offenses by major offense type: assaultive,
3 nonassaultive, drug, and sex.

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

11 (c) The educational history of those offenders, including the
12 number of offenders that had a high school equivalency or high
13 school diploma before incarceration in prison, the number of
14 offenders that received a high school equivalency while in prison,
15 and the number of offenders that received a vocational certificate
16 while in prison.

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

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

22 Sec. 503. From the funds appropriated in part 1, the
23 department shall issue quarterly reports for the previous 4
24 quarters detailing outcomes of prisoners who have been reviewed for
25 parole. The report must include all of the following:

26 (a) The number of prisoners in each quarter that were
27 reviewed.

28 (b) The number of prisoners that were granted parole.

29 (c) The number of prisoners that were denied parole.



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

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

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

8 (g) The reason for denying or deferring parole.
9

10 **HEALTH CARE**

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

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

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

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

28 Sec. 602. (1) From the funds appropriated in part 1, the
29 department shall provide prisoners with a brochure that explains



1 the purpose and importance of signing a medical release of
2 information form. The department shall ensure that all prisoners,
3 upon any health care treatment funded from appropriations in part
4 1, are given the opportunity to sign a medical release of
5 information form designating a family member or other individual to
6 whom the department shall release records and information regarding
7 the prisoner upon the request of the prisoner. The prisoner may
8 elect to withdraw or amend the medical release of information form
9 at any time.

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

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

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

19 (a) The number of inpatient hospital days.

20 (b) The number of outpatient visits.

21 (c) The number of emergency room visits.

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

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

25 Sec. 604. Funds appropriated in part 1 for Hepatitis C
26 treatment must be used only to purchase specialty medication for
27 Hepatitis C treatment in the prison population. In addition to the
28 above appropriation, any rebates received from the medications used
29 must be used only to purchase specialty medication for Hepatitis C



1 treatment. Not later than February 15, the department shall issue a
2 report for the previous fiscal year that includes all of the
3 following:

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

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

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

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

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

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

18 Sec. 606. Not later than March 1, the department shall report
19 on the number of prisoners who received medication-assisted
20 therapies. The report must include, but not be limited to, all of
21 the following:

22 (a) The length of time each prisoner received those therapies.

23 (b) The number of prisoners who have discontinued treatment
24 while incarcerated.

25 (c) A listing of the medications used in medication-assisted
26 therapies.

27 (d) The number of prisoners prescribed each medication listed
28 in subdivision (c).

29 Sec. 607. (1) From the funds appropriated in part 1 for mental



health and substance use disorder treatment, the department must maintain not less than 3 medication-assisted treatment clinics at correctional facilities that allow the department to treat the highest number of prisoners with opioid use disorder as possible. 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 provided with the option of receiving 1 injection of a nonaddictive opioid blocker medication immediately before being released from prison into the community.

(2) The department shall submit quarterly reports on the establishment and 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) Staffing levels.
- (c) Expenditures on staffing and supplies, including oral and injectable medications.
- (d) Number of prisoners treated.
- (e) Number of prisoners requiring treatment but not yet receiving treatment.

Sec. 608. The department shall not use funds appropriated in part 1 for any costs associated with gender reassignment surgery for any prisoner of this state.

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



1 on the following:

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

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

10 (c) Major sanitation violations.

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

25 (a) New custody staff training.

26 (b) Prison industries operations.

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

28 (d) Enhanced food technology program.

29 (e) Higher education in prison.



- (f) Offender success programming.
- (g) Central records.
- (h) Correctional facilities administration.
- (i) Housing inmates in federal institutions.
- (j) Prison food service.
- (k) Prison store operations.
- (l) Transportation.
- (m) Health care.
- (n) Correctional facilities.
- (o) 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. (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, a drug overdose or suspected overdose that results in inpatient hospitalization, and an unexpected death of a prisoner.



1 Sec. 705. From the funds appropriated in part 1, the
2 department shall report not later than March 1 on all of the
3 following ratios for each correctional facility:

4 (a) Corrections officers to prisoners.

5 (b) Shift command staff to line custody staff.

6 (c) Noncustody institutional staff to prisoners.

7 Sec. 706. (1) From the funds appropriated in part 1, the
8 department shall focus on providing required programming to
9 prisoners who are past their earliest release date and have not
10 been paroled because of not having received the required
11 programming. Programming includes, but is not limited to, violence
12 prevention programming, sexual abuse prevention programming,
13 substance use disorder programming, thinking for a change
14 programming, and any other programming that is required as a
15 condition of parole.

16 (2) To the extent feasible, the department shall consistently
17 provide prisoner programming with the goal of having prisoners
18 complete recommended cognitive programming as early as possible
19 during the prisoner's sentence to impact the prisoner's behavior
20 while incarcerated. Nothing in this section makes parole denial
21 appealable in court.

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

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

29 (b) The number of individuals who have reached their earliest



1 release date, but who have not completed required programming.

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

4 Sec. 707. If a pregnant prisoner in a facility funded from
5 appropriations in part 1 consents to a visitor being present, the
6 department shall allow that 1 person to be present during the
7 prisoner's labor and delivery, in addition to a doula being present
8 if the pregnant prisoner wants to work with a doula. The person
9 allowed to accompany the prisoner must be an immediate family
10 member, legal guardian, spouse, or domestic partner. The department
11 is authorized to deny access to a visitor if the department has a
12 safety concern with that visitor's access. The department is
13 authorized to conduct a criminal background check on the visitor.

14 Sec. 708. From the funds appropriated in part 1, the
15 department shall evaluate all prisoners at intake for substance use
16 disorders, serious developmental disorders, serious mental illness,
17 and other mental health disorders. Prisoners with serious mental
18 illness or serious developmental disorders must not be removed from
19 the general population as a punitive response to behavior caused by
20 their serious mental illness or serious developmental disorder. A
21 prisoner with serious mental illness or serious developmental
22 disorder that is unresponsive to treatment who presents a
23 persistent high violence risk or engages in severe disruptive
24 behavior may be placed in secure residential housing programs that
25 facilitate access to institutional programming and ongoing mental
26 health services funded from appropriations in part 1. A prisoner
27 with serious mental illness or serious developmental disorder who
28 is confined in these specialized housing programs must be evaluated
29 or monitored by a medical professional at a frequency of not less



1 than every 12 hours.

2 Sec. 709. (1) From the funds appropriated in part 1, the
3 department shall report not later than March 1 on the annual number
4 of prisoners during the previous fiscal year in administrative
5 segregation and, of those, the number who at any time during the
6 current or previous prison term were diagnosed with serious mental
7 illness or have a developmental disorder and the number of days
8 each of the prisoners with serious mental illness or a
9 developmental disorder have been confined to administrative
10 segregation.

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

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

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

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

19 (3) For any prisoner housed in administrative segregation for
20 12 months or longer, an explanation of the circumstances
21 surrounding the prisoner's placement in administrative segregation.

22 Sec. 710. From the funds appropriated in part 1, the
23 department shall do all of the following:

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



1 curriculum.

2 (b) Provide appropriate placement for prisoners less than 18
3 years of age who have serious mental illness, serious emotional
4 disturbance, or a serious developmental disorder and need to be
5 housed separately from the general population. Prisoners less than
6 18 years of age who have serious mental illness, serious emotional
7 disturbance, or a serious developmental disorder must not be
8 removed from an existing placement as a punitive response to
9 behavior caused by their serious mental illness, serious emotional
10 disturbance, or a serious developmental disorder. A prisoner who is
11 less than 18 years of age with serious mental illness or a serious
12 developmental disorder that is unresponsive to treatment who
13 presents a persistent high violence risk or engages in severe
14 disruptive behavior may be placed in secure residential housing
15 programs that facilitate services. A prisoner less than 18 years of
16 age with serious mental illness, serious emotional disturbance, or
17 a serious developmental disorder who is confined in these
18 specialized housing programs must be evaluated or monitored by a
19 medical professional at a frequency of not less than every 12
20 hours.

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

24 Sec. 711. From the funds appropriated in part 1, the
25 department shall submit quarterly reports on the number of youth in
26 prison. The report must include, but not be limited to, all of the
27 following information:

28 (a) The total number of inmates under age 18 who are not on
29 Holmes youthful trainee act status.



1 (b) The total number of inmates under age 18 who are on Holmes
2 youthful trainee act status.

3 (c) The total number of inmates aged 18 to 23 who are on
4 Holmes youthful trainee act status.

5 Sec. 712. Funds appropriated in part 1 for intelligence unit
6 must be used by the department to maintain an intelligence unit to
7 conduct investigatory and intelligence operations for the
8 department. Intelligence operations must include, but not be
9 limited to, intelligence operations for prisoner phone services.
10 Savings that result from transferring responsibility for
11 intelligence operations from the contractor to the department must
12 be passed on to prisoners and prisoners' families as the department
13 continues to negotiate lower phone call rates in all future
14 contracts. The department must continue to pursue all opportunities
15 for reducing further the cost of phone calls for prisoners and
16 prisoners' families.

17 Sec. 713. (1) From the funds appropriated in part 1, the
18 department must submit a preliminary report on the department's
19 plans to close, consolidate, or relocate any correctional facility
20 in the state. The preliminary report must be provided not less than
21 30 days before the effective date of the closure, consolidation, or
22 relocation. The preliminary report must include the projected
23 savings to the state from closure, consolidation, or relocation of
24 the facility and must include a projection of the potential impact
25 on staff positions.

26 (2) After a prison closure, consolidation, or relocation, the
27 department must submit a report on the actual savings achieved by
28 the department and the impact on staff positions. Savings amounts
29 and impact on staff positions must be itemized by facility. The



1 report required under this subsection must be submitted 6 months
2 after the prison closure, consolidation, or relocation.

3 (3) If the department is planning to close a correctional
4 facility, the department must complete an analysis of the potential
5 economic impact of the correctional facility closure on the local
6 community where the facility is located. The analysis must be
7 submitted within 30 days of the department's announcement regarding
8 closure of the facility.

9 Sec. 714. From the funds appropriated in part 1, the
10 department shall make an information packet for the families of
11 incoming prisoners available on the department's website. The
12 information packet must be reviewed not later than February 1 and
13 updated as necessary. The department may partner with external
14 advocacy groups and actual families of prisoners in the packet-
15 writing process to ensure that the information is useful and
16 complete. The packet must provide information on topics including,
17 but not limited to, all of the following:

18 (a) How to put money into prisoner accounts.

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

20 (c) How to visit in person.

21 (d) Proper procedures for filing complaints or grievances.

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

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

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

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



1 (i) The parole process.

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

4 Sec. 715. From the funds appropriated in part 1, the
5 department must pursue all opportunities to reduce costs for
6 prisoners and prisoners' families for financial deposit fees and
7 commissary fees when the department negotiates or renews any
8 contract to provide these services.

9 Sec. 716. (1) Funds appropriated in part 1 for contraband
10 prevention must be used by the department to enhance a multifaceted
11 approach that combines technology, rigorous policies, vigilant
12 staff, intelligence gathering, and a commitment to addressing the
13 root causes of contraband, all of which are necessary for
14 preventing the introduction of contraband and maintaining safe and
15 secure correctional facilities.

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

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

27 (a) Contraband incidents.

28 (b) Prevention efforts and strategies utilized by the
29 department.



(c) An assessment of the effectiveness of all prevention efforts and strategies.

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

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

Sec. 717. 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.

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	1,397.0
--	---------

GROSS APPROPRIATION	\$ 839,082,600
----------------------------	-----------------------

Interdepartmental grant revenues:	
-----------------------------------	--

Total interdepartmental grants and	
------------------------------------	--

intradepartmental transfers	4,085,900
-----------------------------	-----------



1	ADJUSTED GROSS APPROPRIATION		\$ 834,996,700
2	Federal revenues:		
3	Total federal revenues		397,788,900
4	Special revenue funds:		
5	Total local revenues		0
6	Total private revenues		1,364,200
7	Total other state restricted revenues		324,300,300
8	State general fund/general purpose		\$ 111,543,300
9	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
10	SUPPORT		
11	Full-time equated unclassified positions	6.0	
12	Full-time equated classified positions	69.0	
13	Unclassified salaries--FTEs	6.0	\$ 964,100
14	Accounting service center		1,412,800
15	Administrative hearings officers		906,600
16	Environmental investigations--FTEs	12.0	2,419,800
17	Environmental support--FTEs	25.0	4,645,800
18	Executive direction--FTEs	18.0	4,159,500
19	Facilities management		1,000,000
20	Financial support--FTEs	14.0	9,747,100
21	Michigan geological survey		3,000,000
22	Property management		7,322,500
23	GROSS APPROPRIATION		\$ 35,578,200
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	IDG from department of state police		82,700
27	IDG from state transportation department		108,300
28	Federal revenues:		



1	Federal funds	766,700
2	Special revenue funds:	
3	Private funds	711,600
4	Air emissions fees	1,050,700
5	Aquatic nuisance control fund	79,400
6	Campground fund	25,900
7	Cleanup and redevelopment fund	2,800,700
8	Coal ash care fund	17,100
9	Electronic waste recycling fund	36,200
10	Environmental education fund	184,100
11	Environmental pollution prevention fund	553,900
12	Fees and collections	19,800
13	Financial instruments	7,559,500
14	Great Lakes protection fund	545,400
15	Groundwater discharge permit fees	123,600
16	Infrastructure construction fund	2,700
17	Laboratory services fees	665,500
18	Land and water permit fees	198,500
19	Medical waste emergency response fund	36,200
20	Metallic mining surveillance fee revenue	5,800
21	Mineral well regulatory fee revenue	17,100
22	Nonferrous metallic mineral surveillance	16,200
23	NPDES fees	356,900
24	Oil and gas regulatory fund	463,400
25	Orphan well fund	71,100
26	Public swimming pool fund	50,200
27	Public utility assessments	743,400
28	Public water supply fees	382,100

1	Refined petroleum fund		2,996,600
2	Renew Michigan fund		3,384,600
3	Sand extraction fee revenue		2,700
4	Scrap tire regulatory fund		185,800
5	Septage waste program fund		48,400
6	Settlement funds		1,500,000
7	Sewage sludge land application fees		74,300
8	Soil erosion and sedimentation control training		
9	fund		11,700
10	Solid waste management fund - staff account		768,800
11	Stormwater permit fees		185,400
12	Technologically enhanced naturally occurring		
13	radioactive material		34,500
14	Underground storage tank cleanup fund		255,400
15	Wastewater operator training fees		44,800
16	Water quality protection fund		8,700
17	Water use reporting fees		19,900
18	State general fund/general purpose	\$	8,381,900
19	Sec. 103. WATER RESOURCES DIVISION		
20	Full-time equated classified positions	302.0	
21	Aquatic nuisance control program--FTEs	6.0	\$ 992,300
22	Dam and flood mitigation grants		20,000,000
23	Federal - Great Lakes remedial action plan		
24	grants		583,800
25	Fish contaminant monitoring		316,100
26	Great Lakes restoration initiative--FTEs	9.0	11,267,700
27	Groundwater data collection--FTEs	3.0	2,013,600



1	Nonpoint source pollution prevention and		
2	control project program		4,083,300
3	Technology advancements for water monitoring		500,000
4	Water quality programs--FTEs	116.0	20,006,400
5	Water quality protection grants		100,000
6	Water resource programs--FTEs	168.0	28,132,900
7	GROSS APPROPRIATION		\$ 87,996,100
8	Appropriated from:		
9	Interdepartmental grant revenues:		
10	IDG from state transportation department		2,037,300
11	Federal revenues:		
12	Federal funds		34,924,900
13	Special revenue funds:		
14	Aquatic nuisance control fund		992,300
15	Aquifer protection revolving fund		520,000
16	Environmental response fund		590,000
17	Groundwater discharge permit fees		2,235,600
18	Infrastructure construction fund		52,000
19	Land and water permit fees		2,450,500
20	Refined petroleum fund		456,000
21	Sewage sludge land application fees		918,900
22	Soil erosion and sedimentation control training		
23	fund		143,500
24	Stormwater permit fees		669,500
25	Wastewater operator training fees		317,400
26	Water pollution control revolving fund		152,500
27	Water quality protection fund		100,000
28	Water use reporting fees		350,000

1	State general fund/general purpose		\$	41,085,700
2	Sec. 104. AIR QUALITY DIVISION			
3	Full-time equated classified positions	200.0		
4	Air quality programs--FTEs	200.0	\$	34,442,200
5	GROSS APPROPRIATION		\$	34,442,200
6	Appropriated from:			
7	Federal revenues:			
8	Federal funds			7,680,100
9	Special revenue funds:			
10	Air emissions fees			10,952,600
11	Asbestos inspection fund			2,000,000
12	Fees and collections			214,300
13	Oil and gas regulatory fund			148,700
14	Public utility assessments			150,000
15	Refined petroleum fund			2,138,500
16	State general fund/general purpose		\$	11,158,000
17	Sec. 105. REMEDIATION AND REDEVELOPMENT DIVISION			
18	Full-time equated classified positions	297.0		
19	Contaminated site remediation and redevelopment			
20	programs--FTEs	297.0	\$	68,802,700
21	Emergency cleanup actions			2,000,000
22	Environmental cleanup and redevelopment program			27,600,000
23	Superfund cleanup			9,000,000
24	GROSS APPROPRIATION		\$	107,402,700
25	Appropriated from:			
26	Federal revenues:			
27	Federal funds			15,752,600
28	Special revenue funds:			

1	Cleanup and redevelopment fund			46,916,900
2	Environmental response fund			1,442,100
3	Laboratory services fees			8,293,100
4	Public water supply fees			328,500
5	Refined petroleum fund			33,569,500
6	State brownfield redevelopment fund			1,100,000
7	State general fund/general purpose		\$	0
8	Sec. 106. UNDERGROUND STORAGE TANK AUTHORITY			
9	Full-time equated classified positions	10.0		
10	Underground storage tank cleanup program--FTEs	10.0	\$	19,817,300
11	GROSS APPROPRIATION		\$	19,817,300
12	Appropriated from:			
13	Special revenue funds:			
14	Underground storage tank cleanup fund			19,817,300
15	State general fund/general purpose		\$	0
16	Sec. 107. RENEWING MICHIGAN'S ENVIRONMENT			
17	Full-time equated classified positions	158.0		
18	Information management--FTEs	18.0	\$	4,539,300
19	Renew Michigan program--FTEs	140.0		69,595,800
20	GROSS APPROPRIATION		\$	74,135,100
21	Appropriated from:			
22	Interdepartmental grant revenues:			
23	IDG from department of state police			6,800
24	IDG from state transportation department			6,300
25	Federal revenues:			
26	Federal funds			5,800
27	Special revenue funds:			
28	Air emissions fees			65,900

1	Aquatic nuisance control fund	4,600
2	Campground fund	1,200
3	Cleanup and redevelopment fund	182,400
4	Coal ash care fund	1,000
5	Electronic waste recycling fund	1,100
6	Environmental pollution prevention fund	39,800
7	Fees and collections	120,200
8	Financial instruments	277,300
9	Great Lakes protection fund	1,200
10	Groundwater discharge permit fees	10,700
11	Laboratory services fees	45,000
12	Land and water permit fees	14,400
13	Medical waste emergency response fund	1,100
14	Mineral well regulatory fee revenue	500
15	Nonferrous metallic mineral surveillance	1,300
16	NPDES fees	24,900
17	Oil and gas regulatory fund	33,300
18	Orphan well fund	5,500
19	Public swimming pool fund	1,400
20	Public water supply fees	26,900
21	Refined petroleum fund	228,500
22	Renew Michigan fund	69,907,500
23	Scrap tire regulatory fund	13,200
24	Septage waste program fund	1,600
25	Sewage sludge land application fees	4,600
26	Soil erosion and sedimentation control training	
27	fund	200
28	Solid waste management fund - staff account	57,100

1	Stormwater permit fees		12,300
2	Technologically enhanced naturally occurring		
3	radioactive material		2,000
4	Underground storage tank cleanup fund		17,000
5	Wastewater operator training fees		2,800
6	Water quality protection fund		500
7	Water use reporting fees		1,100
8	State general fund/general purpose	\$	3,008,100
9	Sec. 108. INFORMATION TECHNOLOGY		
10	Information technology services and projects	\$	7,775,300
11	GROSS APPROPRIATION	\$	7,775,300
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG from department of state police		23,700
15	IDG from state transportation department		31,100
16	Federal revenues:		
17	Federal funds		2,062,300
18	Special revenue funds:		
19	Air emissions fees		246,800
20	Aquatic nuisance control fund		22,900
21	Campground fund		7,300
22	Cleanup and redevelopment fund		807,100
23	Coal ash care fund		5,000
24	Electronic waste recycling fund		10,600
25	Environmental pollution prevention fund		158,500
26	Fees and collections		5,700
27	Financial instruments		1,084,000
28	Great Lakes protection fund		11,400

1	Groundwater discharge permit fees	35,200
2	Infrastructure construction fund	800
3	Laboratory services fees	189,600
4	Land and water permit fees	56,400
5	Medical waste emergency response fund	10,600
6	Metallic mining surveillance fee revenue	1,700
7	Mineral well regulatory fee revenue	5,000
8	Nonferrous metallic mineral surveillance	5,000
9	NPDES fees	101,400
10	Oil and gas regulatory fund	131,600
11	Orphan well fund	20,400
12	Public swimming pool fund	14,800
13	Public utility assessments	19,600
14	Public water supply fees	108,600
15	Refined petroleum fund	961,200
16	Renew Michigan fund	1,142,100
17	Sand extraction fee revenue	800
18	Scrap tire regulatory fund	53,100
19	Septage waste program fund	13,900
20	Sewage sludge land application fees	21,200
21	Soil erosion and sedimentation control training	
22	fund	3,300
23	Solid waste management fund - staff account	211,700
24	Stormwater permit fees	53,100
25	Technologically enhanced naturally occurring	
26	radioactive material	9,800
27	Underground storage tank cleanup fund	73,600
28	Wastewater operator training fees	13,100

1	Water pollution control revolving fund			33,200
2	Water quality protection fund			2,400
3	Water use reporting fees			5,700
4	State general fund/general purpose		\$	0
5	Sec. 109. DRINKING WATER AND ENVIRONMENTAL			
6	HEALTH			
7	Full-time equated classified positions	145.0		
8	Drinking water and environmental health--FTEs	145.0	\$	35,577,200
9	GROSS APPROPRIATION		\$	35,577,200
10	Appropriated from:			
11	Federal revenues:			
12	Federal funds			13,702,900
13	Special revenue funds:			
14	Campground fund			377,500
15	Fees and collections			34,500
16	Public swimming pool fund			751,500
17	Public water supply fees			5,034,000
18	Refined petroleum fund			761,100
19	Septage waste program fund			618,000
20	Wastewater operator training fees			267,700
21	State general fund/general purpose		\$	14,030,000
22	Sec. 110. MATERIALS MANAGEMENT DIVISION			
23	Full-time equated classified positions	126.0		
24	Energy programs--FTEs	13.0	\$	6,278,500
25	Material management programs--FTEs	113.0		23,521,800
26	GROSS APPROPRIATION		\$	29,800,300
27	Appropriated from:			
28	Interdepartmental grant revenues:			

1	IDG from department of state police		1,566,600
2	Federal revenues:		
3	Federal funds		7,281,100
4	Special revenue funds:		
5	Private funds		652,600
6	Cleanup and redevelopment fund		1,072,600
7	Coal ash care fund		268,100
8	Community pollution prevention fund		250,000
9	Electronic waste recycling fund		333,700
10	Energy efficiency and renewable energy		
11	revolving loan fund		250,100
12	Environmental pollution prevention fund		4,110,100
13	Medical waste emergency response fund		454,500
14	Public utility assessments		1,806,200
15	Retired engineers technical assistance program		
16	fund		491,200
17	Scrap tire regulatory fund		5,008,300
18	Small business pollution prevention revolving		
19	loan fund		134,400
20	Solid waste management fund - staff account		5,662,000
21	Technologically enhanced naturally occurring		
22	radioactive material		458,800
23	State general fund/general purpose	\$	0
24	Sec. 111. OIL, GAS, AND MINERALS DIVISION		
25	Full-time equated classified positions	60.0	
26	Oil, gas, and mineral services--FTEs	60.0	\$ 22,261,600
27	GROSS APPROPRIATION	\$	22,261,600
28	Appropriated from:		



1	Interdepartmental grant revenues:		
2	IDG from department of licensing and regulatory		
3	affairs		223,100
4	Federal revenues:		
5	Federal funds		153,100
6	Infrastructure investment and jobs act fund		5,155,400
7	Special revenue funds:		
8	Metallic mining surveillance fee revenue		92,500
9	Mineral well regulatory fee revenue		216,000
10	Native copper mine fund		50,000
11	Nonferrous metallic mineral surveillance		385,800
12	Oil and gas regulatory fund		3,881,800
13	Orphan well fund		2,351,500
14	Sand extraction fee revenue		91,100
15	State general fund/general purpose	\$	9,661,300
16	Sec. 112. WATER INFRASTRUCTURE		
17	Full-time equated classified positions	30.0	
18	Lead service line replacement	\$	13,601,300
19	Municipal assistance--FTEs	30.0	6,695,300
20	Sewer and water infrastructure upgrade grants		10,000,000
21	Water state revolving funds		354,000,000
22	GROSS APPROPRIATION	\$	384,296,600
23	Appropriated from:		
24	Federal revenues:		
25	Federal funds		40,304,000
26	Infrastructure investment and jobs act fund		270,000,000
27	Special revenue funds:		
28	Make it in Michigan competitiveness fund		39,000,000

Revolving loan revenue bonds	10,000,000
Water pollution control revolving fund	774,300
State general fund/general purpose	\$ 24,218,300

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 \$435,843,600.00 and total state spending under part 1 from state sources to be paid to local units of government is \$55,933,300.00. 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	13,601,300
Material management programs	1,270,000
Renew Michigan program	20,000,000
Sewer and water infrastructure upgrade grants	10,000,000
Technology advancements for water monitoring	500,000
Water quality programs	200,000
TOTAL	\$ 55,933,300

Sec. 202. The appropriations under this part and part 1 are



1 subject to the management and budget act, 1984 PA 431, MCL 18.1101
2 to 18.1594.

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

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

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

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

8 (d) "IDG" means interdepartmental grant.

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

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

16 Sec. 204. If the state administrative board, acting under
17 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
18 appropriated under this part, the legislature may, by a concurrent
19 resolution adopted by a majority of the members elected to and
20 serving in each house, inter-transfer funds within part 1 for the
21 particular department, board, commission, officer, or institution.

22 Sec. 205. The department shall not take disciplinary action
23 against an employee of the department because the employee
24 communicates with a member of the legislature or legislative staff,
25 unless the communication is prohibited by law and the department is
26 exercising its authority as provided by law.

27 Sec. 206. To the extent permissible under section 261 of the
28 management and budget act, 1984 PA 431, MCL 18.1261, all of the
29 following apply to the expenditure of funds appropriated in part 1:



1 (a) The funds must not be used for the purchase of foreign
2 goods or services, or both, if competitively priced and of
3 comparable quality American goods or services, or both, are
4 available.

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

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

12 Sec. 207. The department shall use the internet to fulfill the
13 reporting requirements of this part. This requirement includes
14 transmitting reports to the required recipients by email and
15 posting the reports on an internet site.

16 Sec. 208. The department shall receive and retain copies of
17 all reports funded from appropriations in part 1. The department
18 shall follow federal and state law and guidelines for short-term
19 and long-term retention of records. The department may
20 electronically retain copies of reports unless otherwise required
21 by federal and state laws and regulations.

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



1 appropriations committees.

2 Sec. 210. Not later than 14 days after the release of the
3 executive budget recommendation, the department shall cooperate
4 with the state budget office to provide an annual report on
5 estimated state restricted fund balances, state restricted fund
6 projected revenues, and state restricted fund expenditures for the
7 previous 2 fiscal years. The report must be submitted to the
8 standard report recipients and to the chairpersons of the senate
9 and house appropriations committees.

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

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

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

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

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

22 (e) The number of in-person hours and remote hours worked by
23 employees, by job classification. In-person and remote work hours
24 must be listed by month and the fourth quarter report must include
25 a cumulative total for the fiscal year.

26 (f) Job specifications and wage rates.

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



1 Sec. 212. Consistent with section 217 of the management and
2 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
3 a report on out-of-state travel expenses not later than January 1.
4 The report must list travel outside of this state by classified and
5 unclassified employees in the previous fiscal year that was funded
6 in whole or in part with funds appropriated in the department's
7 budget. The department shall submit the report to the standard
8 report recipients and to the senate and house appropriations
9 committees. The report must include all of the following
10 information:

11 (a) The dates of each travel occurrence.

12 (b) The total transportation and related expenses of each
13 travel occurrence and the proportions funded with state general
14 fund/general purpose revenues, state restricted revenues, federal
15 revenues, and other revenues.

16 Sec. 213. On a quarterly basis, the department shall report on
17 the number of full-time equated positions in pay status by civil
18 service classification, including a comparison by line item of the
19 number of full-time equated positions authorized from funds
20 appropriated in part 1 to the actual number of full-time equated
21 positions employed by the department at the end of the reporting
22 period. The report must be submitted to the standard report
23 recipients and the senate and house appropriations committees.

24 Sec. 214. Not later than April 1, the department shall report
25 on each specific policy change made to implement a public act
26 affecting the department that took effect during the previous
27 calendar year. The report must include reference to the public act
28 number. The department shall submit the report to the standard
29 report recipients, the senate and house appropriations committees,



1 and the joint committee on administrative rules.

2 Sec. 215. (1) From the funds appropriated in part 1, the
3 department shall do the following:

4 (a) Report to the standard report recipients and to the senate
5 and house appropriations committees any amounts of severance pay
6 for a department director, deputy director, or other high-ranking
7 department official not later than 14 days after a severance
8 agreement with the director or official is signed. The name of the
9 director, deputy director, or official and the amount of severance
10 pay must be included in the report required by this subdivision.

11 (b) Not later than by February 1, report on the total amount
12 of severance pay remitted to former department employees during the
13 prior fiscal year and the total number of former department
14 employees that were remitted severance pay during the prior fiscal
15 year.

16 (2) As used in this section, "severance pay" means
17 compensation to which both of the following apply:

18 (a) The compensation is payable or paid upon the termination
19 of employment.

20 (b) The compensation is paid in addition to wages or benefits
21 earned during the course of employment or generally applicable
22 retirement benefits.

23 Sec. 216. (1) The department shall maximize the efficiency of
24 the state workforce. The department shall prioritize employees
25 working in-person 5 days per week for each division within the
26 department. Employees with job responsibilities that require the
27 employees to serve in their capacities outside of the office must
28 report to the office before beginning field work. Field service
29 employees include, but are not limited to, protective services



1 workers, parole and probation officers, conservation officers,
2 state troopers assigned to road patrol, inspectors, and
3 construction and trade workers.

4 (2) The department shall establish a policy and process for
5 verifying that all employees are working their jobs during normal
6 business hours.

7 (3) The department shall provide information on employee badge
8 scanning when requested by a member of the legislature.

9 Sec. 217. (1) Funds appropriated in part 1 that are used for
10 grants or grant programs are subject to the following conditions:

11 (a) Grant funds must be provided only to an entity that is
12 established or operating in this state or another state for more
13 than 3 years before approval or disbursement of grant funds.

14 (b) Grant funds must be provided only to an entity that has an
15 office in this state or in the service area covered under the grant
16 for at least 12 months before approval or disbursement of grant
17 funds.

18 (c) Before awarding or disbursing grant funds, all grant
19 recipients must provide a spending plan that specifies the scope of
20 service, the program goals, the measurement for meeting program
21 goals, and how all grant funds will be used and must indicate if
22 any grant funds will be provided to a third party or subrecipient.

23 (d) Up to 20% of grant funds may be spent on administrative
24 costs and salaries. Up to 10% is authorized for contingencies.

25 (e) Each department or agency responsible for awarding or
26 disbursing grant funds must annually audit the entity's use of the
27 grant funds for each fiscal year in which the grant is active. Each
28 entity shall submit information requested by the department to
29 confirm compliance.



1 (f) Each department and agency shall work with the office of
2 the auditor general to conduct an audit of the grant according to
3 generally accepted accounting practices and audit standards. The
4 office of the auditor general must be given access to all internal
5 and external records. All contracts or agreements between a
6 department or agency and a grant recipient or between a grant
7 recipient and a third party must include a clause granting the
8 office of the auditor general access to all internal and external
9 records.

10 (g) Grant recipients and their immediate family members are
11 prohibited from being employed by the executive branch or
12 legislative branch of this state. In addition, grant recipients are
13 prohibited from serving on any state board that has direct or
14 indirect responsibility for approving or auditing grant funds
15 awarded or disbursed by any department or agency.

16 (h) Full and complete audits of grant funds issued by the
17 department or an agency of this state, without redaction unless
18 required by law, must be posted to the department's website in a
19 conspicuous place for public review.

20 (2) On a quarterly basis, the department shall submit a report
21 to the standard report recipients on legislatively sponsored grant
22 funds that includes, but is not limited to, all of the following:

23 (a) The name of each grant recipient and the status of each
24 grant.

25 (b) The amount distributed to each grant recipient.

26 (c) The remaining amount to be distributed to each grant
27 recipient.

28 (d) Any changes to scope or costs of the program.

29 (3) The report under subsection (2) must include the following



1 statements made by the department:

2 (a) A statement that confirms the department reviewed and
3 affirmed the compliance of each grant recipient to program scope
4 and expenditure of grant funding.

5 (b) A statement that confirms the department reviewed
6 applicable program reports and requests for reimbursement.

7 Sec. 218. (1) The department shall require as a condition of
8 each contract or subcontract that the prequalified contractor or
9 prequalified subcontractor agree to use the E-Verify system to
10 verify that all persons hired during the contract term by the
11 contractor or subcontractor are legally present and authorized to
12 work in the United States.

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

19 (3) The department shall not contract with any foreign
20 entities that are known or suspected to be enemies of the United
21 States or known foreign adversaries. Foreign adversaries include
22 all of the following:

23 (a) The People's Republic of China.

24 (b) The Russian Federation.

25 (c) The Islamic Republic of Iran.

26 (d) The Democratic People's Republic of Korea.

27 (e) The Republic of Cuba.

28 (f) The Venezuelan regime of Nicolás Maduro.

29 (g) The Syrian Arab Republic.



1 (h) An agency or other entity under significant control of a
2 country described in subdivisions (a) to (g).

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

7 Sec. 219. Funds appropriated in part 1 from state or federal
8 sources are prohibited from being used to provide services, grants,
9 or programming to an individual who is not a citizen of the United
10 States, unless the individual is a qualified alien under 8 USC
11 1641. This section does not prohibit the department, political
12 subdivision, state university, or other state agency from expending
13 funds for the purpose of detaining individuals who are not citizens
14 of the United States, including any costs associated with housing
15 such individuals in county jails or state correctional facilities.

16 Sec. 221. In addition to the funds appropriated in part 1,
17 there is appropriated an amount not to exceed \$3,000,000.00 for
18 state restricted contingency authorization. These funds are not
19 available for expenditure until they have been transferred to
20 another line item in part 1 under section 393(2) of the management
21 and budget act, 1984 PA 431, MCL 18.1393.

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

25 Sec. 223. The department shall submit a quarterly report that
26 summarizes all work project accounts. The report must include all
27 of the following:

28 (a) A list of all work project accounts.

29 (b) The status of all work project accounts including amounts



1 expended, amounts encumbered, and available balances for each
2 account.

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

7 Sec. 224. Total authorized appropriations from all sources
8 under part 1 for legacy costs for the fiscal year ending September
9 30, 2026 are estimated at \$25,310,000.00. From this amount, total
10 department appropriations for pension-related legacy costs are
11 estimated at \$22,828,000.00. Total department appropriations for
12 retiree health care legacy costs are estimated at \$2,482,000.00.

13 Sec. 225. (1) The department shall maintain, on a publicly
14 accessible website, a department scorecard that identifies, tracks,
15 and updates on a quarterly basis key metrics that are used to
16 monitor and improve the department's performance.

17 (2) The department must notify the standard report recipients
18 when the quarterly updates to the department scorecard are
19 available on a publicly accessible website.

20 Sec. 226. (1) Unless specifically authorized elsewhere in this
21 part or part 1, funds appropriated in part 1 must not be used to
22 pay for a state obligation that exceeds \$200,000.00 for a court-
23 approved judgment, settlement, award, or claim without prior
24 legislative approval.

25 (2) If a state obligation for a court-approved judgment,
26 settlement, award, or claim results in a change from current
27 statute, the department shall notify the legislature.

28 (3) This section does not apply to compensation and other
29 relief to individuals wrongfully imprisoned as required under the



1 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
2 to 691.1757.

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

11 Sec. 228. State funds must not be used for diversity, equity,
12 and inclusion, or DEI, initiatives or programs or as outlined in
13 federal Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025)
14 "Ending Radical and Wasteful Government DEI Programs and
15 Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30,
16 2025) "Defending Women from Gender Ideology Extremism and Restoring
17 Biological Truth to the Federal Government", or Exec. Order No.
18 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal
19 Discrimination and Restoring Merit-Based Opportunity".

20 Sec. 229. (1) The department may expend amounts remaining from
21 the current and prior fiscal year appropriations to meet funding
22 needs of the environmental cleanup and redevelopment program,
23 environmental cleanup support, contaminated site remediation and
24 redevelopment programs, contaminated site cleanup, contaminated
25 site cleanup contingency reserve, premcor remediation activities,
26 PFAS remediation grant program, the renew Michigan program, the
27 refined petroleum product cleanup program, brownfield grants and
28 loans, waterfront grants, and the environmental bond site
29 reclamation program.



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

6 (3) Unexpended and unencumbered amounts remaining from
7 appropriations from the refined petroleum fund activities contained
8 in 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, 2017 PA 107,
9 2018 PA 207, 2019 PA 57, 2020 PA 166, 2021 PA 87, 2022 PA 166, 2023
10 PA 119, and 2024 PA 121 are appropriated for expenditure.

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

16 (5) For the strategic water quality initiatives fund, funds
17 not yet disbursed are appropriated for expenditure for the same
18 program under sections 5201, 5202, and 5204e of the natural
19 resources and environmental protection act, 1994 PA 451, MCL
20 324.5201, 324.5202, and 324.5204e.

21 (6) Unexpended and unencumbered amounts remaining from the
22 appropriations from the renew Michigan fund contained in 2018 PA
23 207, 2019 PA 57, 2020 PA 166, 2021 PA 87, 2022 PA 166, 2023 PA 119,
24 and 2024 PA 121, are appropriated for expenditure.

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

29 (8) Unexpended and unencumbered amounts remaining from the



1 appropriations from the cleanup and redevelopment fund contained in
2 2022 PA 166, and 2023 PA 119 are appropriated for expenditure.

3 Sec. 230. Revenues that remain in the settlements fund at the
4 end of the fiscal year carry forward into the succeeding fiscal
5 year.

6 Sec. 231. (1) Not later than 10 days after the effective date
7 of this act, the department shall provide a report to the standard
8 report recipients that contains the following information:

9 (a) A list of any sections in this act that the department
10 determines to be unenforceable, with a detailed legal rationale for
11 those determinations, as applicable.

12 (b) If a determination under subdivision (a) would affect the
13 operations of a program or programs within the department, the
14 department must report the estimated difference in cost between the
15 policy outlined in the section determined to be unenforceable and
16 the policy the department intends to pursue.

17 (2) The department may coordinate with the executive office of
18 the governor or other state departments or agencies to compile a
19 statewide report for any departments or agencies required to submit
20 a report substantially similar to the report described under
21 subsection (1).

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

25 (2) The report must contain the following information:

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

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



1 types.

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

4 (d) The estimated date for project completion.

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

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

10 Sec. 236. The department shall provide a report to the
11 standard report recipients and to the senate and house
12 appropriations committees that details the expenditure of
13 departmental funds appropriated in 2015 PA 143, 2016 PA 3, 2016 PA
14 268, and 2016 PA 340. The report must include the following:

15 (a) The names and locations of entities receiving funds.

16 (b) The purpose for each expenditure.

17 (c) The status of programs supported by this funding.

18 (d) A brief description of how related problems have been or
19 will be resolved if expenditures are made for immediate response.

20 (e) The job titles and number of departmental FTEs engaged in
21 the Flint declaration of emergency response effort.

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

28 (a) The number of FTEs assigned to each permitting program and
29 the number of unfilled positions at the beginning and end of the



1 most recent fiscal year.

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

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

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

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

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

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

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

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

23 Sec. 242. If the department responds to a significant incident
24 to protect life or property, within 12 hours after the department
25 response to a significant incident at a site in this state, the
26 department shall notify the senate and house members whose district
27 includes the site in writing.

28 Sec. 247. Before January 1 the department shall report to the
29 standard report recipients any need to reallocate FTE positions



1 between or among appropriations.

2 Sec. 248. The department must issue permits in accordance with
3 each permit's statutory timeline and shall report progress under
4 this section to the standard report recipients on a quarterly
5 basis.

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

13 (2) As used in this section:

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

16 (b) "Small business" means that term as defined in section 7a
17 of the administrative procedures act of 1969, 1969 PA 306, MCL
18 24.207a.

19 Sec. 250. To the extent allowed under state and federal law,
20 the department must provide written justification for any
21 modifications to permit standards. Justifications must cite
22 relevant statute or administrative rules. Scientific justification
23 must be cited in the absence of statutory or administrative rules
24 citations.

25 Sec. 251. (1) To the extent allowed under state and federal
26 law, applicants shall receive a 10% discount on permit fees for
27 every 30 days a permit review process remains incomplete beyond the
28 permit application review time frame as defined in statute or
29 administrative rules.



1 (2) The department shall report quarterly on the fiscal impact
2 of discounts given under this section to the standard report
3 recipients.

4 Sec. 252. The department shall collaborate with qualified
5 technical experts to develop and distribute permitting guidebooks.
6 Qualified technical experts shall contribute subject-specific
7 guidance relevant to the experts' respective fields. The
8 guidebooks' areas of focus must include groundwater discharge
9 permitting for large livestock operations, meat processors, and
10 fruit and vegetable processors.
11

12 **REMEDICATION AND REDEVELOPMENT DIVISION**

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

16 Sec. 302. The unexpended funds appropriated in part 1 for
17 contaminated site remediation and redevelopment programs, emergency
18 cleanup actions, and environmental cleanup and redevelopment
19 programs are designated as work project appropriations, and any
20 unencumbered or unallotted funds shall not lapse at the end of the
21 fiscal year and shall be available for expenditures for projects
22 under this section until the projects have been completed. The
23 following is in compliance with section 451a of the management and
24 budget act, 1984 PA 431, MCL 18.1451a:

25 (a) The purpose of the projects is to provide contaminated
26 site cleanup.

27 (b) The projects will be accomplished by utilizing contracts
28 with service providers.

29 (c) The total estimated cost of all projects is identified in



1 each line-item appropriation.

2 (d) The tentative completion date is September 30, 2030.

3 Sec. 304. (1) In addition to the money appropriated in part 1,
4 the department may receive and expend money from the subaccounts of
5 the cleanup and redevelopment fund as described under section 20108
6 of the natural resources and environmental protection act, 1994 PA
7 451, MCL 324.20108, including the environmental response fund or
8 the natural resource damages fund, to provide funding for actions
9 by the department that are authorized by a court of competent
10 jurisdiction and set forth in a final court order or judgment in an
11 action to which the department is a party.

12 (2) By January 30, the department shall submit a report to the
13 appropriations subcommittees, the fiscal agencies, and the state
14 budget office that provides a summary of the expenditures incurred
15 under this section during the preceding fiscal year.

16 Sec. 305. It is the intent of the legislature to repay the
17 refined petroleum fund for the \$70,000,000.00 that was transferred
18 to the environmental protection fund created in section 503a of the
19 natural resources and environmental protection act, 1994 PA 451,
20 MCL 324.503a, as part of the resolution for the fiscal year 2006-
21 2007 budget.

22 Sec. 306. From the funds appropriated in part 1 for
23 contaminated site remediation and redevelopment programs, an amount
24 equivalent to the average annual revenue generated by unclaimed
25 bottle deposits between October 1, 2015 to September 30, 2022, is
26 designated for the establishment of local recycling centers.

27
28 **WATER RESOURCES DIVISION**

29 Sec. 401. (1) Funds appropriated in part 1 under section 103



1 for the water resources division must not be expended until the
2 department establishes and publishes testing standards that are not
3 more stringent than federal standards for per- and polyfluoroalkyl
4 substances based on the water quality certification determinations
5 made under the federal water pollution control act, 33 USC 1341.

6 (2) The department shall report progress made under this
7 section to the standard report recipients not later than January 1.

8 Sec. 402. Funds appropriated in part 1 under section 103 for
9 the water resources division must not be expended until the
10 department reports the following to the standard report recipients:

11 (a) The number of permit application decision appeals filed in
12 the previous fiscal year.

13 (b) The number of permit applications approved within 30 days,
14 60 days, 90 days, 6 months, and 1 year after an application is
15 determined to be administratively complete.

16 Sec. 403. Funds appropriated in part 1 for dam and flood
17 mitigation grants must be awarded for dam construction, flood
18 control, flood mitigation, and flood prevention. Priority must be
19 given to projects that prioritize preventative measures.

20 Sec. 410. From the funds appropriated in part 1, the
21 department shall compile a report by November 1 of every fiscal
22 year ending in an odd number on the status of the implementation
23 plan for the western Lake Erie basin collaborative agreement. In an
24 effort to learn more about the presence and timing of harmful algal
25 blooms, the report shall contain all of the following:

26 (a) An estimated cost of removal of total phosphorus per pound
27 at the 4 major wastewater treatment plants.

28 (b) A description of the grants that have been awarded.

29 (c) A description of the work that has commenced on the issue



1 of dissolved reactive phosphorus, the expected objectives and
2 outcomes of that work, and a list of the parties involved in that
3 effort.

4 (d) A description of the efforts and outcomes aimed at the
5 total phosphorus reduction for the River Raisin watershed.

6 Sec. 411. From funds appropriated in part 1 for water quality
7 programs, \$150,000.00 is allocated to the continuation of the
8 department's contract for the cooperative lakes monitoring program
9 and the voluntary stream monitoring program to ensure the continued
10 operation of these programs.

11
12 **UNDERGROUND STORAGE TANK AUTHORITY**

13 Sec. 701. The unexpended funds appropriated in part 1 for
14 underground storage tank cleanup program are designated as a work
15 project appropriation, and any unencumbered or unallotted funds
16 shall not lapse at the end of the fiscal year and shall be
17 available for expenditures for projects under this section until
18 the projects have been completed. The following is in compliance
19 with section 451a of the management and budget act, 1984 PA 431,
20 MCL 18.1451a:

21 (a) The purpose of the project is to provide underground
22 storage tank cleanup.

23 (b) The project will be accomplished by utilizing contracts
24 with service providers.

25 (c) The total estimated cost of the project is \$20,000,000.00.

26 (d) The tentative completion date is September 30, 2030.

27
28 **RENEWING MICHIGAN'S ENVIRONMENT**

29 Sec. 801. The unexpended funds appropriated in part 1 for



1 renewing Michigan's environment program are designated as a work
2 project appropriation, and any unencumbered or unallotted funds
3 shall not lapse at the end of the fiscal year and shall be
4 available for expenditures for projects under this section until
5 the projects have been completed. The following is in compliance
6 with section 451a of the management and budget act, 1984 PA 431,
7 MCL 18.1451a:

8 (a) The purpose of the project is for environmental cleanup
9 and redevelopment, waste management, and recycling.

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

12 (c) The total estimated cost of the project is \$70,495,800.00.

13 (d) The tentative completion date is September 30, 2030.
14

15 **MATERIALS MANAGEMENT DIVISION**

16 Sec. 901. In addition to the money appropriated in part 1, the
17 department may receive and expend money from the Volkswagen
18 Environmental Mitigation Trust Agreement to provide funding for
19 activities as outlined within the State's Mitigation Plan. The
20 department shall prepare a report to the appropriations
21 subcommittees, the fiscal agencies, and the state budget office by
22 February 1, 2026 of the expenditures incurred under this section
23 during the fiscal year ending September 30, 2025.
24

25 **WATER INFRASTRUCTURE**

26 Sec. 951. The funds appropriated in part 1 for lead service
27 line replacement must be used to support lead service line
28 replacement and associated activities, including, but not limited
29 to, water main replacement to promote coordinated water



infrastructure work in overburdened and significantly overburdened communities, as those terms are defined by the department in accordance with the requirements under parts 53 and 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5301 to 324.5316 and 324.5401 to 324.5418.

Sec. 952. From the funds appropriated in part 1 for water state revolving funds, a minimum of 25% of the funds must be awarded to communities with populations of less than 20,000.

Sec. 953. Funds appropriated in part 1 for sewer and water infrastructure upgrade grants must be awarded to counties, municipalities, or utility authorities to upgrade aging sewer and water infrastructure, including transmission and treatment.

ARTICLE 5

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the legislature, the executive, the department of the attorney general, the department of state, the department of treasury, the department of technology, management, and budget, the department of civil rights, and certain state purposes related to those branches and departments 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	6,735.9
--	---------

GROSS APPROPRIATION	\$ 4,691,024,000
----------------------------	-------------------------

Interdepartmental grant revenues:



1	Total interdepartmental grants and	
2	intradepartmental transfers	1,027,439,300
3	ADJUSTED GROSS APPROPRIATION	\$ 3,663,584,700
4	Federal revenues:	
5	Total federal revenues	37,439,300
6	Special revenue funds:	
7	Total local revenues	11,192,600
8	Total private revenues	739,600
9	Total other state restricted revenues	2,599,568,900
10	State general fund/general purpose	\$ 1,014,644,300
11	Sec. 102. DEPARTMENT OF ATTORNEY GENERAL	
12	(1) APPROPRIATION SUMMARY	
13	Full-time equated unclassified positions	1.0
14	Full-time equated classified positions	530.4
15	GROSS APPROPRIATION	\$ 91,368,600
16	Interdepartmental grant revenues:	
17	Total interdepartmental grants and	
18	intradepartmental transfers	32,929,500
19	ADJUSTED GROSS APPROPRIATION	\$ 58,439,100
20	Federal revenues:	
21	Total federal revenues	8,811,200
22	Special revenue funds:	
23	Total local revenues	0
24	Total private revenues	0
25	Total other state restricted revenues	19,883,400
26	State general fund/general purpose	\$ 29,744,500
27	(2) ATTORNEY GENERAL OPERATIONS	
28	Full-time equated classified positions	530.4



1	Attorney general	\$	112,500
2	Alcohol and gambling enforcement--FTEs	15.0	2,554,900
3	Assistance with convictions and expungements--		
4	FTEs	10.0	1,667,500
5	Child elder family financial crimes--FTEs	15.0	2,639,700
6	Child support enforcement--FTEs	25.0	3,419,600
7	Children and Youth Services --FTEs	24.0	4,110,800
8	Civil rights and elections--FTEs	13.0	2,275,700
9	Collections--FTEs	13.0	2,148,500
10	Corporate oversight--FTEs	31.0	5,299,300
11	Corrections--FTEs	31.0	5,325,800
12	Criminal appellate and parole appeals--FTEs	14.0	2,383,100
13	Criminal investigations--FTEs	12.0	2,057,900
14	Criminal trials--FTEs	27.0	4,639,700
15	Department of attorney general--FTEs	19.0	3,621,500
16	Departmentwide--FTEs	4.0	665,500
17	Environment, natural resources and agriculture		
18	--FTEs	26.0	4,477,200
19	Executive office--FTEs	6.0	845,800
20	Finance--FTEs	10.0	1,771,400
21	Fiscal management--FTEs	6.0	973,300
22	Health care fraud--FTEs	31.0	5,175,500
23	Health education and family services--FTEs	27.0	4,625,500
24	Human resources--FTEs	5.0	812,700
25	Labor--FTEs	25.0	4,292,300
26	Licensing and regulation --FTEs	23.0	3,974,800
27	Office of communications--FTEs	5.0	855,200
28	Office of legislative affairs--FTEs	1.4	161,800



1	Opinions review board--FTEs	2.0	229,200
2	Prosecuting attorneys coordinating council--		
3	FTEs	14.0	2,757,600
4	Public administration --FTEs	2.0	323,000
5	Public service commission--FTEs	10.0	1,782,200
6	Revenue and tax --FTEs	22.0	3,806,000
7	Solicitor general--FTEs	5.0	796,500
8	Special lawsuits		100
9	Special litigation--FTEs	11.0	1,829,400
10	State operations --FTEs	35.0	5,928,100
11	Transportation --FTEs	10.0	1,682,900
12	Victim rights/victim services--FTE	1.0	82,900
13	GROSS APPROPRIATION	\$	90,105,400
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	IDG from MDOC		657,000
17	IDG from MDE		733,700
18	IDG from EGLE		2,183,000
19	IDG from MDHHS, health policy		294,100
20	IDG from MDHHS, human services		6,161,900
21	IDG from MDHHS, medical services administration		688,000
22	IDG from MDHHS, WIC		330,400
23	IDG from MDIFS, financial and insurance		
24	services		1,143,000
25	IDG from LEO, Michigan occupational safety and		
26	health administration		166,300
27	IDG from LEO, workforce development		89,300



1	IDG from MDLARA, bureau of marijuana regulatory	
2	agency	2,252,300
3	IDG from MDLARA, fireworks safety fund	80,700
4	IDG from MDLARA, health professions	1,618,900
5	IDG from MDLARA, licensing and regulation fees	709,400
6	IDG from MDLARA, remonumentation fees	104,900
7	IDG from MDLARA, securities fees	698,000
8	IDG from MDLARA, unlicensed builders	1,063,100
9	IDG from MDMVA	161,500
10	IDG from MDOS, children's protection registry	40,500
11	IDG from MDOT, comprehensive transportation	
12	fund	99,800
13	IDG from MDOT, state aeronautics fund	175,100
14	IDG from MDOT, state trunkline fund	1,989,100
15	IDG from MDSP	226,600
16	IDG from MDTMB	1,203,700
17	IDG from MDTMB, civil service commission	304,700
18	IDG from MDTMB, risk management revolving fund	1,257,400
19	IDG from MILEAP	523,500
20	IDG from Michigan state housing development	
21	authority	1,147,300
22	IDG from Michigan strategic fund	180,400
23	IDG from treasury	6,645,900
24	Federal revenues:	
25	DAG, state administrative match grant/food	
26	stamps	123,300
27	Federal funds	2,787,800
28	HHS, medical assistance, medigrant	372,200



1	HHS-OS, state Medicaid fraud control units	5,527,900
2	National criminal history improvement program	109,800
3	Special revenue funds:	
4	Antitrust enforcement collections	759,200
5	Attorney general's operations fund	4,006,600
6	Auto repair facilities fees	329,900
7	Franchise fees	380,700
8	Game and fish protection fund	614,200
9	Human trafficking commission fund	153,000
10	Liquor purchase revolving fund	1,464,700
11	Michigan employment security act -	
12	administrative fund	2,241,800
13	Michigan merit award trust fund	481,400
14	Michigan opioid healing and recovery	177,300
15	Michigan state waterways fund	136,700
16	Mobile home code fund	246,200
17	Prisoner reimbursement	702,600
18	Prosecuting attorneys training fees	409,600
19	Public utility assessments	1,952,400
20	Reinstatement fees	256,300
21	Retirement funds	1,043,300
22	Second injury fund	595,800
23	Self-insurers security fund	364,500
24	Silicosis and dust disease fund	105,000
25	State building authority revenue	119,300
26	State casino gaming fund	1,769,500
27	State lottery fund	348,600
28	Utility consumer representation fund	860,200



1	Worker's compensation administrative revolving		
2	fund		364,600
3	State general fund/general purpose	\$	28,371,500
4	(3) INFORMATION TECHNOLOGY		
5	Information technology services and projects	\$	1,263,200
6	GROSS APPROPRIATION	\$	1,263,200
7	Appropriated from:		
8	State general fund/general purpose	\$	1,263,200
9	Sec. 103. DEPARTMENT OF CIVIL RIGHTS		
10	(1) APPROPRIATION SUMMARY		
11	Full-time equated unclassified positions	6.0	
12	Full-time equated classified positions	95.8	
13	GROSS APPROPRIATION	\$	13,592,000
14	Interdepartmental grant revenues:		
15	Total interdepartmental grants and		
16	intradepartmental transfers		0
17	ADJUSTED GROSS APPROPRIATION	\$	13,592,000
18	Federal revenues:		
19	Total federal revenues		2,599,500
20	Special revenue funds:		
21	Total local revenues		0
22	Total private revenues		18,700
23	Total other state restricted revenues		52,600
24	State general fund/general purpose	\$	10,921,200
25	(2) CIVIL RIGHTS OPERATIONS		
26	Full-time equated unclassified positions	6.0	
27	Full-time equated classified positions	95.8	
28	Unclassified salaries--FTEs	6.0 \$	844,500

1	Complaint investigation and enforcement--FTEs	70.0	9,121,600
2	Division on deaf, deafblind, and hard of		
3	hearing--FTEs	2.0	210,700
4	Executive office--FTEs	16.8	1,910,100
5	Public affairs--FTEs	7.0	923,200
6	GROSS APPROPRIATION	\$	13,010,100
7	Appropriated from:		
8	Federal revenues:		
9	EEOC, state and local antidiscrimination agency		
10	contracts		1,128,300
11	HUD, grant		1,460,000
12	Special revenue funds:		
13	Private revenues		18,700
14	State restricted indirect funds		52,600
15	State general fund/general purpose	\$	10,350,500
16	(3) INFORMATION TECHNOLOGY		
17	Information technology services and projects	\$	581,900
18	GROSS APPROPRIATION	\$	581,900
19	Appropriated from:		
20	Federal revenues:		
21	EEOC, state and local antidiscrimination agency		
22	contracts		11,200
23	State general fund/general purpose	\$	570,700
24	Sec. 104. EXECUTIVE OFFICE		
25	(1) APPROPRIATION SUMMARY		
26	Full-time equated unclassified positions	10.0	
27	Full-time equated classified positions	86.2	
28	GROSS APPROPRIATION	\$	9,609,200



1	Interdepartmental grant revenues:		
2	Total interdepartmental grants and		
3	intradepartmental transfers		0
4	ADJUSTED GROSS APPROPRIATION	\$	9,609,200
5	Federal revenues:		
6	Total federal revenues		0
7	Special revenue funds:		
8	Total local revenues		0
9	Total private revenues		0
10	Total other state restricted revenues		0
11	State general fund/general purpose	\$	9,609,200
12	(2) EXECUTIVE OFFICE OPERATIONS		
13	Full-time equated unclassified positions	10.0	
14	Full-time equated classified positions	86.2	
15	Unclassified salaries--FTEs	8.0	\$ 1,670,500
16	Governor		159,300
17	Lieutenant governor		111,600
18	Executive office--FTEs	86.2	7,667,800
19	GROSS APPROPRIATION	\$	9,609,200
20	Appropriated from:		
21	State general fund/general purpose	\$	9,609,200
22	Sec. 105. LEGISLATURE		
23	(1) APPROPRIATION SUMMARY		
24	GROSS APPROPRIATION	\$	235,734,000
25	Interdepartmental grant revenues:		
26	Total interdepartmental grants and		
27	intradepartmental transfers		7,555,600
28	ADJUSTED GROSS APPROPRIATION	\$	228,178,400



1	Federal revenues:		
2	Total federal revenues		0
3	Special revenue funds:		
4	Total local revenues		0
5	Total private revenues		481,700
6	Total other state restricted revenues		4,054,600
7	State general fund/general purpose	\$	223,642,100
8	(2) LEGISLATURE		
9	Senate	\$	52,057,000
10	Senate automated data processing		3,290,000
11	Senate fiscal agency		4,978,400
12	House of representatives		76,450,500
13	House automated data processing		3,290,000
14	House fiscal agency		4,978,400
15	GROSS APPROPRIATION	\$	145,044,300
16	Appropriated from:		
17	State general fund/general purpose	\$	145,044,300
18	(3) LEGISLATIVE COUNCIL		
19	Legislative corrections ombudsman	\$	1,633,400
20	Legislative council		17,218,600
21	Legislative service bureau automated data		
22	processing		3,823,500
23	Michigan veterans' facility ombudsman		379,700
24	Office of tribal legislative liaison		515,000
25	Worker's compensation		182,400
26	GROSS APPROPRIATION	\$	23,752,600
27	Appropriated from:		
28	State general fund/general purpose	\$	23,752,600



1	(4) LEGISLATIVE RETIREMENT SYSTEM		
2	General nonretirement expenses	\$	6,468,500
3	GROSS APPROPRIATION	\$	6,468,500
4	Appropriated from:		
5	Special revenue funds:		
6	Court fees		1,505,200
7	State general fund/general purpose	\$	4,963,300
8	(5) PROPERTY MANAGEMENT		
9	Binsfeld Office Building and other properties	\$	10,161,000
10	Cora Anderson Building		7,029,800
11	GROSS APPROPRIATION	\$	17,190,800
12	Appropriated from:		
13	State general fund/general purpose	\$	17,190,800
14	(6) STATE CAPITOL HISTORIC SITE		
15	General operations	\$	6,771,300
16	Restoration, renewal, and maintenance		4,079,900
17	GROSS APPROPRIATION	\$	10,851,200
18	Appropriated from:		
19	Special revenue funds:		
20	Private - gifts and bequests		481,700
21	State general fund/general purpose	\$	10,369,500
22	(7) OFFICE OF THE AUDITOR GENERAL		
23	Unclassified positions	\$	446,500
24	Field operations		31,980,100
25	GROSS APPROPRIATION	\$	32,426,600
26	Appropriated from:		
27	Interdepartmental grant revenues:		



1	IDG, commercial mobile radio system emergency	
2	telephone fund	46,200
3	IDG, contract audit administration fees	90,000
4	IDG, deferred compensation funds	120,000
5	IDG, emp ben div postemployment life insurance	
6	benefit	23,700
7	IDG from LEO, self-insurers security fund	99,900
8	IDG from DHHS, human services	40,000
9	IDG from MDLARA, liquor purchase revolving fund	150,400
10	IDG from MDMVA, Michigan veterans' facility	
11	authority	108,200
12	IDG from MDOT, comprehensive transportation	
13	fund	48,500
14	IDG from MDOT, Michigan transportation fund	393,900
15	IDG from MDOT, state aeronautics fund	38,100
16	IDG from MDOT, state trunkline fund	914,900
17	IDG, legislative retirement system	31,900
18	IDG, Michigan economic development corporation	157,400
19	IDG, Michigan education trust fund	82,000
20	IDG, Michigan finance authority	306,900
21	IDG, Michigan justice training commission fund	70,000
22	IDG, Michigan strategic fund	269,000
23	IDG, office of retirement services	802,200
24	IDG, other restricted funding sources	27,200
25	IDG, pension schedules of employer allocations	
26	funds	248,000
27	IDG, single audit act	3,400,000
28	IDG, state sponsored group insurance fund	87,200

1	Special revenue funds:	
2	21st century jobs trust fund	120,300
3	Brownfield development fund	35,200
4	Game and fish protection account	39,100
5	MDTMB, civil service commission	221,900
6	Michigan state housing development authority	
7	fees	141,700
8	Michigan veterans' trust fund	2,000
9	Michigan veterans' trust fund income and	
10	assessments	23,000
11	Motor transport revolving fund	9,200
12	Office services revolving fund	12,700
13	State disbursement unit, office of child	
14	support	71,500
15	State services fee fund	1,858,700
16	Waterways account	14,100
17	State general fund/general purpose	\$ 22,321,600
18	Sec. 106. DEPARTMENT OF STATE	
19	(1) APPROPRIATION SUMMARY	
20	Full-time equated unclassified positions	1.0
21	Full-time equated classified positions	1,394.1
22	GROSS APPROPRIATION	\$ 222,496,100
23	Interdepartmental grant revenues:	
24	Total interdepartmental grants and	
25	intradepartmental transfers	20,000,000
26	ADJUSTED GROSS APPROPRIATION	\$ 202,496,100
27	Federal revenues:	
28	Total federal revenues	1,160,000



1	Special revenue funds:		
2	Total local revenues		0
3	Total private revenues		25,000
4	Total other state restricted revenues		198,551,300
5	State general fund/general purpose	\$	2,759,800
6	(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
7	Full-time equated unclassified positions	1.0	
8	Full-time equated classified positions	109.0	
9	Secretary of state	\$	112,500
10	Executive direction--FTEs	25.0	3,751,500
11	Operations--FTEs	84.0	24,190,700
12	Property management		10,729,500
13	Worker's compensation		148,500
14	GROSS APPROPRIATION	\$	38,932,700
15	Appropriated from:		
16	Special revenue funds:		
17	Abandoned vehicle fees		239,800
18	Auto repair facilities fees		130,400
19	Children's protection registry fund		270,700
20	Driver fees		2,601,700
21	Enhanced driver license and enhanced official		
22	state personal identification card fund		2,191,200
23	Parking ticket court fines		13,600
24	Personal identification card fees		101,900
25	Scrap tire fund		78,600
26	Transportation administration collection fund		33,087,300
27	State general fund/general purpose	\$	217,500
28	(3) LEGAL SERVICES		

1	Full-time equated classified positions	134.0		
2	Operations--FTEs	134.0	\$	16,397,000
3	GROSS APPROPRIATION		\$	16,397,000
4	Appropriated from:			
5	Special revenue funds:			
6	Auto repair facilities fees			3,197,200
7	Driver education provider and instructor fund			150,000
8	Driver fees			1,658,500
9	Enhanced driver license and enhanced official			
10	state personal identification card fund			2,853,800
11	Reinstatement fees - operator licenses			590,200
12	Transportation administration collection fund			7,205,400
13	Vehicle theft prevention fees			741,900
14	State general fund/general purpose		\$	0
15	(4) CUSTOMER DELIVERY SERVICES			
16	Full-time equated classified positions	1,093.6		
17	Branch operations--FTEs	811.4	\$	76,196,300
18	Central operations--FTEs	280.2		41,869,300
19	Motorcycle safety education administration--			
20	FTEs	2.0		652,500
21	Motorcycle safety education grants			1,800,000
22	Organ donor program			64,500
23	GROSS APPROPRIATION		\$	120,582,600
24	Appropriated from:			
25	Interdepartmental grant revenues:			
26	IDG from MDOT, Michigan transportation fund			20,000,000
27	Federal revenues:			
28	DOT			860,000



1	OHSP		300,000
2	Special revenue funds:		
3	Thomas Daley gift of life fund		25,000
4	Abandoned vehicle fees		450,900
5	Auto repair facilities fees		763,700
6	Child support clearance fees		100,000
7	Driver fees		22,881,500
8	Driver improvement course fund		800,000
9	Enhanced driver license and enhanced official		
10	state personal identification card fund		13,752,900
11	Expedient service fees		2,975,900
12	Marine safety fund		1,579,000
13	Michigan state police auto theft fund		123,000
14	Mobile home commission fees		509,700
15	Motorcycle safety and education awareness fund		350,000
16	Motorcycle safety fund		2,102,500
17	Off-road vehicle title fees		170,700
18	Parking ticket court fines		518,400
19	Personal identification card fees		2,372,600
20	Recreation passport fee revenue		1,000,000
21	Reinstatement fees - operator licenses		1,021,500
22	Snowmobile registration fee revenue		390,000
23	Transportation administration collection fund		46,709,800
24	Vehicle theft prevention fees		786,000
25	State general fund/general purpose	\$	39,500
26	(5) ELECTION REGULATION		
27	Full-time equated classified positions	57.5	
28	County clerk education and training fund	\$	100,000



1	Election administration and services--FTEs	57.5	12,492,000
2	Fees to local units		109,800
3	GROSS APPROPRIATION	\$	12,701,800
4	Appropriated from:		
5	Special revenue funds:		
6	Election administration support fund		9,755,500
7	Notary education and training fund		100,000
8	Notary fee fund		343,500
9	State general fund/general purpose	\$	2,502,800
10	(6) INFORMATION TECHNOLOGY		
11	Information technology services and projects	\$	100
12	Michigan technology transparency fund		33,881,900
13	GROSS APPROPRIATION	\$	33,882,000
14	Appropriated from:		
15	Special revenue funds:		
16	Administrative order processing fee		11,800
17	Auto repair facilities fees		129,800
18	Driver fees		789,600
19	Enhanced driver license and enhanced official		
20	state personal identification card fund		673,800
21	Expedient service fees		1,100,000
22	Personal identification card fees		174,000
23	Transportation administration collection fund		30,821,300
24	Vehicle theft prevention fees		181,700
25	State general fund/general purpose	\$	0
26	Sec. 107. DEPARTMENT OF TECHNOLOGY, MANAGEMENT,		
27	AND BUDGET		
28	(1) APPROPRIATION SUMMARY		



1	Full-time equated unclassified positions	6.0	
2	Full-time equated classified positions	3,050.4	
3	GROSS APPROPRIATION		\$ 1,531,977,000
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and		
6	intradepartmental transfers		958,544,600
7	ADJUSTED GROSS APPROPRIATION		\$ 573,432,400
8	Federal revenues:		
9	Total federal revenues		3,216,000
10	Special revenue funds:		
11	Total local revenues		2,229,300
12	Total private revenues		173,900
13	Total other state restricted revenues		112,622,000
14	State general fund/general purpose		\$ 455,191,200
15	(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
16	Full-time equated unclassified positions	6.0	
17	Full-time equated classified positions	826.1	
18	Unclassified salaries--FTEs	6.0	\$ 1,101,600
19	Administrative services--FTEs	161.1	22,560,500
20	Budget and financial management--FTEs	169.6	28,656,400
21	Building operation services--FTEs	259.2	94,464,800
22	Business support services--FTEs	82.7	9,811,700
23	Design and construction services--FTEs	37.6	6,017,700
24	Executive operations--FTEs	10.0	1,969,000
25	Michigan center for data and analytics--FTEs	32.9	4,169,400
26	Michigan digital service office--FTEs	15.0	5,000,000
27	Motor vehicle fleet--FTEs	35.5	85,727,900
28	Office of the state employer--FTEs	8.0	756,100



1	Property management		7,787,400
2	State archives--FTEs	14.5	1,723,800
3	GROSS APPROPRIATION	\$	269,746,300
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDG from accounting service centers user		
7	charges		5,711,100
8	IDG from building occupancy and parking charges		96,722,500
9	IDG from MDHHS, community health		425,800
10	IDG from MDHHS, human services		214,400
11	IDG from MDLARA		75,700
12	IDG from motor transport fund		85,727,900
13	IDG from technology user fees		9,578,900
14	IDG from user fees		6,115,500
15	Federal revenues:		
16	Federal funds		3,216,000
17	Special revenue funds:		
18	Local funds		25,200
19	Local - MPSCS subscriber and maintenance fees		21,100
20	Private funds		173,900
21	Health management funds		220,200
22	Legal services fund		100
23	Other agency charges		1,103,700
24	SIGMA user fees		1,988,400
25	Special revenue, internal service, and pension		
26	trust funds		13,275,200
27	State restricted indirect funds		2,831,000
28	State general fund/general purpose	\$	42,319,700



1	(3) TECHNOLOGY SERVICES		
2	Full-time equated classified positions	1,604.7	
3	Enterprise user experience--FTEs	14.0	\$ 3,958,700
4	Homeland security initiative/cyber security--		
5	FTEs	29.0	18,154,700
6	Information technology services--FTEs	1,440.5	748,233,200
7	Michigan public safety communication system--		
8	FTEs	121.2	47,319,100
9	GROSS APPROPRIATION		\$ 817,665,700
10	Appropriated from:		
11	Interdepartmental grant revenues:		
12	IDG from technology user fees		748,233,200
13	Special revenue funds:		
14	Local - MPSCS subscriber and maintenance fees		2,183,000
15	State general fund/general purpose		\$ 67,249,500
16	(4) STATEWIDE APPROPRIATIONS		
17	Professional development fund - AFSCME		\$ 50,000
18	Professional development fund - MPE, SEIU,		
19	scientific and engineering unit		100,000
20	Professional development fund - MPE, SEIU,		
21	technical unit		50,000
22	Professional development fund - NERES		200,000
23	Professional development fund - UAW		700,000
24	GROSS APPROPRIATION		\$ 1,100,000
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG from employer contributions		1,100,000
28	State general fund/general purpose		\$ 0

1	(5) SPECIAL PROGRAMS		
2	Full-time equated classified positions	182.5	
3	Office of the child advocate--FTEs	22.0	\$ 3,834,000
4	Property management executive/legislative		1,424,800
5	Retirement services--FTEs	160.5	23,269,000
6	GROSS APPROPRIATION		\$ 28,527,800
7	Appropriated from:		
8	Special revenue funds:		
9	Deferred compensation		4,311,900
10	Pension trust funds		18,879,400
11	State general fund/general purpose		\$ 5,336,500
12	(6) STATE BUILDING AUTHORITY RENT		
13	State building authority rent - community		
14	colleges		\$ 38,032,600
15	State building authority rent - state agencies		81,465,200
16	State building authority rent - universities		142,153,900
17	GROSS APPROPRIATION		\$ 261,651,700
18	Appropriated from:		
19	State general fund/general purpose		\$ 261,651,700
20	(7) CIVIL SERVICE COMMISSION		
21	Full-time equated classified positions	437.1	
22	Agency services--FTEs	108.2	\$ 15,668,700
23	Employee benefits--FTEs	26.5	6,229,700
24	Executive direction--FTEs	32.0	8,019,200
25	Human resources operations--FTEs	270.4	32,377,500
26	Information technology services and projects		4,235,500
27	GROSS APPROPRIATION		\$ 66,530,600
28	Appropriated from:		

1	Special revenue funds:	
2	State restricted funds 1%	27,211,700
3	State restricted indirect funds	7,264,000
4	State sponsored group insurance	9,148,100
5	State general fund/general purpose	\$ 22,906,800
6	(8) CAPITAL OUTLAY	
7	Enterprisewide special maintenance for state	
8	facilities	\$ 14,000,000
9	Major special maintenance, remodeling, and	
10	addition for state agencies	3,800,000
11	GROSS APPROPRIATION	\$ 17,800,000
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from building occupancy charges	3,800,000
15	State general fund/general purpose	\$ 14,000,000
16	(9) ONE-TIME APPROPRIATIONS	
17	Information technology investment fund	\$ 25,000,000
18	Information technology services and projects	43,954,900
19	GROSS APPROPRIATION	\$ 68,954,900
20	Appropriated from:	
21	IDG from building occupancy and parking charges	629,900
22	IDG from user fees	209,700
23	Deferred compensation	2,600
24	Pension trust funds	11,306,700
25	SIGMA user fees	2,533,800
26	Special revenue, internal service, and pension	
27	trust funds	461,300
28	State restricted funds 1%	10,000,000



1	State restricted indirect funds		2,083,900
2	State general fund/general purpose	\$	41,727,000
3	Sec. 108. DEPARTMENT OF TREASURY		
4	(1) APPROPRIATION SUMMARY		
5	Full-time equated unclassified positions	10.0	
6	Full-time equated classified positions	1,579.0	
7	GROSS APPROPRIATION	\$	2,586,247,100
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and		
10	intradepartmental transfers		8,409,600
11	ADJUSTED GROSS APPROPRIATION	\$	2,577,837,500
12	Federal revenues:		
13	Total federal revenues		21,652,600
14	Special revenue funds:		
15	Total local revenues		8,963,300
16	Total private revenues		40,300
17	Total other state restricted revenues		2,264,405,000
18	State general fund/general purpose	\$	282,776,300
19	(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
20	Full-time equated unclassified positions	10.0	
21	Full-time equated classified positions	371.3	
22	Unclassified salaries--FTEs	10.0	\$ 1,272,900
23	Bureau of accounting and financial services--		
24	FTEs	58.2	6,751,300
25	Collections services bureau--FTEs	170.4	22,381,100
26	Department services--FTEs	57.7	6,023,900
27	Executive direction and operations--FTEs	43.2	5,228,100

1	Office of security and data risk management--		
2	FTEs	15.0	2,018,400
3	Property management		6,675,100
4	Unclaimed property--FTEs	26.8	4,422,300
5	Worker's compensation		44,400
6	GROSS APPROPRIATION	\$	54,817,500
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG, data/collection services fees		277,600
10	IDG from accounting service center user charges		291,900
11	IDG from MDHHS, title IV-D		651,600
12	IDG, levy/warrant cost assessment fees		2,932,100
13	IDG, state agency collection fees		1,527,800
14	Federal revenues:		
15	DED-OPSE, federal lenders allowance		365,200
16	DED-OPSE, higher education act of 1965, insured		
17	loans		400,500
18	Special revenue funds:		
19	Delinquent tax collection revenue		28,922,100
20	Escheats revenue		4,422,300
21	Garnishment fees		2,139,000
22	Justice system fund		324,200
23	Marihuana regulation fund		1,009,900
24	Marihuana regulatory fund		151,600
25	MFA, bond and loan program revenue		472,400
26	State lottery fund		282,600
27	State restricted indirect funds		228,000
28	State services fee fund		323,700



1	Treasury fees		37,300
2	State general fund/general purpose	\$	10,057,700
3	(3) LOCAL GOVERNMENT PROGRAMS		
4	Full-time equated classified positions	73.5	
5	Flint settlement payment	\$	35,000,000
6	Local finance--FTEs	12.9	1,399,500
7	Michigan infrastructure council--FTEs	3.0	3,858,800
8	Property tax assessor training--FTE	1.0	947,900
9	Supervision of the general property tax law--		
10	FTEs	56.6	11,664,400
11	GROSS APPROPRIATION	\$	52,870,600
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG from MDOT, Michigan transportation fund		252,700
15	Special revenue funds:		
16	Local - assessor training fees		947,900
17	Local - audit charges		411,300
18	Local - equalization study charge-backs		29,500
19	Local - revenue from local government		73,900
20	Delinquent tax collection revenue		1,216,000
21	Land reutilization fund		1,530,700
22	Municipal finance fees		394,200
23	State general fund/general purpose	\$	48,014,400
24	(4) TAX PROGRAMS		
25	Full-time equated classified positions	650.3	
26	Bottle act implementation	\$	250,000
27	Home heating assistance		3,101,300
28	Insurance provider assessment program--FTEs	5.0	1,358,500



1	Living donor tax credit		750,000
2	Office of revenue and tax analysis--FTEs	19.7	3,508,000
3	Tax and economic policy--FTEs	41.4	8,570,000
4	Tax compliance--FTEs	263.3	35,941,200
5	Tax processing--FTEs	309.9	35,498,500
6	Tobacco tax enforcement--FTEs	11.0	1,448,700
7	GROSS APPROPRIATION		\$ 90,426,200
8	Appropriated from:		
9	Interdepartmental grant revenues:		
10	IDG from MDOT, Michigan transportation fund		1,975,500
11	IDG from MDOT, state aeronautics fund		58,200
12	Federal revenues:		
13	HHS-SSA, low-income energy assistance		3,101,300
14	Special revenue funds:		
15	Bottle deposit fund		250,000
16	Brownfield redevelopment fund		180,300
17	Delinquent tax collection revenue		59,981,100
18	Insurance provider fund		1,358,500
19	Marihuana regulation fund		2,087,700
20	Marihuana regulatory fund		96,200
21	Qualified heavy equipment rental personal		
22	property exemption reimbursement fund		344,700
23	Tobacco tax revenue		3,433,000
24	Waterways account		86,400
25	State general fund/general purpose		\$ 17,473,300
26	(5) FINANCIAL PROGRAMS		
27	Full-time equated classified positions	106.9	
28	Investments--FTEs	81.0	\$ 22,682,400



1	State and authority finance--FTEs	10.1	3,111,100
2	Student financial assistance programs--FTEs	15.8	17,254,400
3	GROSS APPROPRIATION	\$	43,047,900
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDG, fiscal agent service fees		146,200
7	Federal revenues:		
8	DED-OPSE, federal lenders allowance		3,391,000
9	DED-OPSE, higher education act of 1965, insured		
10	loans		13,863,400
11	Special revenue funds:		
12	Defined contribution administrative fee revenue		300,000
13	Michigan finance authority bond and loan		
14	program revenue		1,931,100
15	Retirement funds		17,743,700
16	School bond fees		630,000
17	Treasury fees		4,794,000
18	State general fund/general purpose	\$	248,500
19	(6) DEBT SERVICE		
20	Clean Michigan initiative	\$	24,203,000
21	Great Lakes water quality bond		67,560,000
22	Quality of life bond		3,118,000
23	GROSS APPROPRIATION	\$	94,881,000
24	Appropriated from:		
25	State general fund/general purpose	\$	94,881,000
26	(7) GRANTS		
27	Convention facility development distribution	\$	128,730,700
28	Election administration support fund		9,755,500



1	Emergency 911 payments	49,118,600
2	Health and safety fund grants	1,500,000
3	Local election administration grants	10,500,000
4	Qualified heavy equipment rental personal	
5	property exemption reimbursement distribution	3,000,000
6	Recreational marihuana grants	96,380,000
7	Senior citizen cooperative housing tax	
8	exemption program	11,512,300
9	Wrongful imprisonment compensation fund	5,000,000
10	GROSS APPROPRIATION	\$ 315,497,100
11	Appropriated from:	
12	Special revenue funds:	
13	Convention facility development fund	128,730,700
14	Emergency 911 fund	49,118,600
15	Health and safety fund	1,500,000
16	Marihuana regulation fund	96,380,000
17	Qualified heavy equipment rental personal	
18	property exemption reimbursement fund	3,000,000
19	State general fund/general purpose	\$ 36,767,800
20	(8) BUREAU OF STATE LOTTERY	
21	Full-time equated classified positions	186.1
22	Lottery information technology services and	
23	projects	\$ 3,457,400
24	Lottery operations--FTEs	186.1 24,711,000
25	GROSS APPROPRIATION	\$ 28,168,400
26	Appropriated from:	
27	Special revenue funds:	
28	State lottery fund	28,168,400



1	State general fund/general purpose	\$	0
2	(9) CASINO GAMING		
3	Full-time equated classified positions	144.3	
4	Casino gaming control operations--FTEs	120.8	\$ 23,995,500
5	Gaming information technology services and		
6	projects		2,646,400
7	Horse racing--FTEs	3.5	1,307,100
8	Michigan gaming control board		113,700
9	Millionaire party regulation--FTEs	20.0	2,902,800
10	GROSS APPROPRIATION	\$	30,965,500
11	Appropriated from:		
12	Special revenue funds:		
13	Casino gambling agreements		532,400
14	Equine development fund		1,354,200
15	Fantasy contest fund		608,500
16	Internet gaming fund		10,357,400
17	Internet sports betting fund		1,742,900
18	State services fee fund		16,370,100
19	State general fund/general purpose	\$	0
20	(10) PAYMENTS IN LIEU OF TAXES		
21	Commercial forest reserve	\$	3,603,900
22	Purchased lands		12,910,600
23	Swamp and tax reverted lands		21,798,000
24	GROSS APPROPRIATION	\$	38,312,500
25	Appropriated from:		
26	Special revenue funds:		
27	Private funds		40,300
28	Game and fish protection fund		4,374,900



1	Michigan natural resources trust account		3,289,700
2	Waterways account		379,700
3	State general fund/general purpose	\$	30,227,900
4	(11) REVENUE SHARING		
5	City, village, and township revenue sharing	\$	293,535,200
6	Constitutional state general revenue sharing		
7	grants		1,103,082,900
8	County revenue sharing		256,199,100
9	Public safety violence and prevention fund		112,000,000
10	GROSS APPROPRIATION	\$	1,764,817,200
11	Appropriated from:		
12	Special revenue funds:		
13	Sales tax		1,652,817,200
14	Public safety and violence prevention fund		112,000,000
15	State general fund/general purpose	\$	0
16	(12) STATE BUILDING AUTHORITY		
17	Full-time equated classified positions	4.0	
18	State building authority--FTEs	4.0	\$ 1,018,900
19	GROSS APPROPRIATION	\$	1,018,900
20	Appropriated from:		
21	Special revenue funds:		
22	State building authority revenue		1,018,900
23	State general fund/general purpose	\$	0
24	(13) CITY INCOME TAX ADMINISTRATION PROGRAM		
25	Full-time equated classified positions	42.6	
26	City income tax administration program--FTEs	42.6	\$ 6,453,700
27	GROSS APPROPRIATION	\$	6,453,700
28	Appropriated from:		

1	Special revenue funds:		
2	Local - city income tax fund		6,453,700
3	State general fund/general purpose	\$	0
4	(14) INFORMATION TECHNOLOGY		
5	Treasury operations information technology		
6	services and projects	\$	39,970,600
7	GROSS APPROPRIATION	\$	39,970,600
8	Appropriated from:		
9	Interdepartmental grant revenues:		
10	IDG from MDOT, Michigan transportation fund		296,000
11	Federal revenues:		
12	DED-OPSE, federal lenders allowance		531,200
13	Special revenue funds:		
14	Local - city income tax fund		1,047,000
15	Delinquent tax collection revenue		16,434,700
16	Marihuana regulation fund		700,400
17	Retirement funds		734,800
18	Tobacco tax revenue		120,800
19	State general fund/general purpose	\$	20,105,700
20	(15) ONE-TIME APPROPRIATIONS		
21	Local prosecutor support grants	\$	25,000,000
22	GROSS APPROPRIATION	\$	25,000,000
23	Appropriated from:		
24	State general fund/general purpose	\$	25,000,000

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 \$3,614,213,200.00 and state spending under part 1 from state sources to be paid to local units of government is \$2,127,753,600.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE

Fees to local units	\$	500
Motorcycle safety education grants		1,415,400
Subtotal		1,415,900

DEPARTMENT OF TREASURY

Airport parking distribution pursuant to section 909		34,000,000
City, village, and township revenue sharing		293,535,200
Commercial forest reserve		3,603,900
Constitutional state general revenue sharing grants		1,103,082,400
Convention facility development fund distribution		128,730,700
County revenue sharing		256,199,100
Emergency 9-1-1 payments		26,085,000
Health and safety fund grants		1,500,000
Local prosecutor support grants		25,000,000
Recreational marihuana grants		96,380,000
Public safety and violence prevention fund		112,000,000
Purchased lands		12,910,600



1	Senior citizen cooperative housing tax exemption	11,512,300
2	Swamp and tax reverted lands	21,798,000
3	Subtotal	\$ 2,126,337,700
4	TOTAL	\$ 2,127,753,600

5 (2) In accordance with section 30 of article IX of the state
6 constitution of 1963, in the appropriations acts for the fiscal
7 year ending September 30, 2026, total state spending from state
8 sources is estimated at \$45,562,283,800.00 and total state spending
9 from state sources to be paid to local units of government is
10 estimated at \$27,939,381,000.00. The proportion of total state
11 spending from state sources to be paid to local units is estimated
12 at 61.3%.

13 (3) If payments to local units of government and state
14 spending from state sources for the fiscal year ending September
15 30, 2026 are different than the amounts estimated in subsection
16 (2), the state budget director shall report the payments to local
17 units of government and state spending from state sources that were
18 made for the fiscal year ending September 30, 2026 to the standard
19 report recipients and to the senate and house of representatives
20 standing committees on appropriations not later than 30 days after
21 the final book-closing for the fiscal year ending September 30,
22 2026.

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

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

27 (a) "COBRA" means the consolidated omnibus budget
28 reconciliation act of 1985, Public Law 99-272.

29 (b) "DAG" means the United States Department of Agriculture.



1 (c) "DED" means the United States Department of Education.

2 (d) "DED-OPSE" means the DED Office of Postsecondary
3 Education.

4 (f) "EEOC" means the United States Equal Employment
5 Opportunity Commission.

6 (g) "FTE" means full-time equated.

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

8 (i) "HHS" means the United States Department of Health and
9 Human Services.

10 (j) "HHS-OS" means the HHS Office of the Secretary.

11 (k) "HHS-SSA" means the Social Security Administration.

12 (l) "HUD" means the United States Department of Housing and
13 Urban Development.

14 (m) "IDG" means interdepartmental grant.

15 (n) "JCOS" means the joint capital outlay subcommittee.

16 (o) "MCL" means the Michigan Compiled Laws.

17 (p) "MDE" means the Michigan department of education.

18 (q) "MDHHS" means the Michigan department of health and human
19 services.

20 (r) "MDIFS" means the Michigan department of insurance and
21 financial services.

22 (s) "MDLARA" means the Michigan department of licensing and
23 regulatory affairs.

24 (t) "MDMVA" means the Michigan department of military and
25 veterans affairs.

26 (u) "MDOC" means the Michigan department of corrections.

27 (v) "MDOS" means the Michigan department of state.

28 (w) "MDOT" means the Michigan department of transportation.

29 (x) "MDSP" means the Michigan department of state police.



1 (y) "MDTMB" means the Michigan department of technology,
2 management, and budget.

3 (z) "MEDC" means the Michigan economic development
4 corporation, which is the public body corporate created under
5 section 28 of article VII of the state constitution of 1963 and the
6 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
7 124.512, by contractual interlocal agreement effective April 5,
8 1999, between local participating economic development corporations
9 formed under the economic development corporations act, 1974 PA
10 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

11 (aa) "MEGA" means the Michigan economic growth authority.

12 (bb) "MFA" means the Michigan finance authority.

13 (cc) "MPE" means the Michigan public employees.

14 (dd) "MPSCS" means the Michigan public safety communications
15 system.

16 (ee) "MSF" means the Michigan strategic fund.

17 (ff) "NERE" means nonexclusively represented employees.

18 (gg) "PA" means public act.

19 (hh) "RFP" means a request for a proposal.

20 (ii) "SEIU" means Service Employees International Union.

21 (jj) "SIGMA" means statewide integrated governmental
22 management applications.

23 (kk) "Standard report recipients" means the senate and house
24 appropriations subcommittees on general government, the senate and
25 house fiscal agencies, the senate and house policy offices, and the
26 state budget office.

27 (ll) "WIC" means women, infants, and children.

28 Sec. 204. If the state administrative board, acting under
29 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount



1 appropriated under this part or part 1, the legislature may, by a
2 concurrent resolution adopted by a majority of the members elected
3 to and serving in each house, intertransfer funds within this part
4 or part 1 for the particular department, board, commission,
5 officer, or institution.

6 Sec. 205. A department or agency shall not take disciplinary
7 action against an employee of a department or an agency within a
8 department for communicating with a member of the legislature or
9 legislative staff, unless the communication is prohibited by law
10 and the department or agency is exercising its authority as
11 provided by law.

12 Sec. 206. To the extent permissible under section 261 of the
13 management and budget act, 1984 PA 431, MCL 18.1261, all of the
14 following apply to the expenditure of funds appropriated in part 1:

15 (a) The funds must not be used for the purchase of foreign
16 goods or services, or both, if competitively priced and of
17 comparable quality American goods or services, or both, are
18 available.

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

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

26 Sec. 207. A department or agency shall use the internet to
27 fulfill the reporting requirements of this part. This requirement
28 includes transmitting reports to the standard report recipients and
29 any other required recipients by email and posting the reports on



1 an internet site.

2 Sec. 208. A department or agency receiving appropriations in
3 part 1 shall receive and retain copies of all reports funded from
4 appropriations in part 1. A department or agency shall follow
5 federal and state guidelines for short-term and long-term retention
6 of records. A department or agency may electronically retain copies
7 of reports unless otherwise required by federal and state
8 guidelines.

9 Sec. 209. Not later than December 15, the state budget office
10 shall prepare and submit a report that provides for estimates of
11 the total GF/GP appropriation lapses at the close of the
12 immediately preceding fiscal year. The report must summarize the
13 projected year-end GF/GP appropriation lapses by major departmental
14 program or program areas. The state budget office shall submit the
15 report to the standard report recipients and the chairpersons of
16 the senate and house of representatives appropriations committees.

17 Sec. 210. Not later than 14 days after the release of the
18 executive budget recommendation, a department or agency receiving
19 appropriations in part 1 shall cooperate with the state budget
20 office to provide an annual report on estimated state restricted
21 fund balances, state restricted fund projected revenues, and state
22 restricted fund expenditures for the previous 2 fiscal years. The
23 report must be submitted to the standard report recipients and the
24 chairpersons of the senate and house of representatives
25 appropriations committees.

26 Sec. 211. A department or agency shall cooperate with the
27 MDTMB to maintain a searchable website accessible by the public at
28 no cost that includes, but is not limited to, all of the following
29 for each department or agency:



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

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

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

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

7 (e) The number of in-person hours and remote hours worked by
8 employees, by job classification. In-person and remote work hours
9 must be listed by month and the fourth quarter report must include
10 a cumulative total for the fiscal year.

11 (f) Job specifications and wage rates.

12 Sec. 212. Consistent with section 217 of the management and
13 budget act, 1984 PA 431, MCL 18.1217, each department and agency
14 receiving appropriations in part 1 shall prepare a report on out-of-
15 state travel expenses not later than January 1. The report must
16 list all travel by classified and unclassified employees outside
17 this state in the immediately preceding fiscal year that was funded
18 in whole or in part with funds appropriated in the department's or
19 agency's budget. The department or agency shall submit the report
20 to the standard report recipients and to the house of
21 representatives and senate appropriations committees. The report
22 must include all of the following information:

23 (a) The dates of each travel occurrence.

24 (b) The total transportation and related expenses of each
25 travel occurrence and the proportions funded with state GF/GP
26 revenues, state restricted revenues, federal revenues, and other
27 revenues, including specific sources of state restricted, federal,
28 and other revenues.

29 Sec. 213. On a quarterly basis, a department or agency



1 receiving appropriations in part 1 and the office of the auditor
2 general shall report on the number of FTEs in pay status by type of
3 staff and civil service classification, including comparison by
4 line item of the number of FTEs authorized from the funds
5 appropriated in part 1 to the actual number of FTE positions
6 employed by the department or agency or the office of the auditor
7 general at the end of the reporting period. The report must be
8 submitted to the senate and house appropriations committees and to
9 the standard report recipients.

10 Sec. 214. Not later than April 1, a department or agency
11 receiving appropriations in part 1 shall report on each specific
12 policy change made to implement a PA affecting the department or
13 agency that took effect during the immediately preceding calendar
14 year. The report must include reference to the public act number.
15 The department or agency shall submit the report to the standard
16 report recipients, the senate and house of representatives
17 appropriations committees, and the joint committee on
18 administrative rules.

19 Sec. 215. (1) From the funds appropriated in part 1, a
20 department or agency receiving appropriations in part 1 shall do
21 the following:

22 (a) Report to the standard report recipients and to the senate
23 and house appropriations committees any amounts of severance pay
24 for a department director, deputy director, or other high-ranking
25 department official not later than 14 days after a severance
26 agreement with the director, deputy director, or official is
27 signed. The name of the director, deputy director, or official and
28 the amount of severance pay must be included in the report required
29 by this subdivision.



1 (b) Not later than February 1, report on the total amount of
2 severance pay remitted to former department employees during the
3 immediately preceding fiscal year and the total number of former
4 department employees that were remitted severance pay during the
5 immediately preceding fiscal year.

6 (2) As used in this section, "severance pay" means
7 compensation to which both of the following apply:

8 (a) The compensation is payable or paid upon the termination
9 of employment.

10 (b) The compensation is paid in addition to wages or benefits
11 earned during the course of employment or generally applicable
12 retirement benefits.

13 Sec. 216. (1) A department or agency receiving appropriations
14 in part 1 must maximize the efficiency of the state workforce and
15 prioritize in-person work for all divisions and areas of the
16 department. A department or agency receiving appropriations in part
17 1 must post its in-person, remote, or hybrid work policy on its
18 website for all divisions and areas of the department.

19 (2) Not later than January 1, a department or agency receiving
20 appropriations in part 1 must submit a report that includes all of
21 the following for each division or area of the department or
22 agency:

23 (a) The number of employees authorized to work remotely.

24 (b) The number of employees working remotely.

25 (c) The number of hours worked remotely.

26 (d) The number of hours worked in person.

27 (e) The estimated cost savings achieved by remote work.

28 (f) The reduced use of office space associated with remote
29 work.



1 (3) A department or agency shall provide information on
2 employee badge scanning when requested by a member of the
3 legislature.

4 Sec. 217. (1) Funds appropriated in part 1 that are used for
5 grants or grant programs are subject to the following conditions:

6 (a) Grant funds must be provided only to an entity that has
7 been established or is operating in this state or another state for
8 more than 3 years before approval or disbursement of grant funds.

9 (b) Grant funds must be provided only to an entity that has
10 had an office within this state or in the service area covered
11 under the grant for at least 12 months before approval or
12 disbursement of grant funds.

13 (c) Before awarding or disbursing grant funds, all grant
14 recipients must provide a spending plan that specifies the scope of
15 service, the program goals, the measurement for meeting program
16 goals, and how all grant funds will be used and must indicate if
17 any grant funds will be provided to a third party or subrecipient.

18 (d) Up to 3% of grant funds may be spent on administrative
19 costs and salaries. Up to 10% is authorized for contingencies.

20 (e) Each department or agency responsible for awarding or
21 disbursing grant funds must annually audit the entity's use of the
22 grant funds for each fiscal year in which the grant is active.

23 (f) Grant recipients and their immediate family members are
24 prohibited from being employed by the executive branch or
25 legislative branch of this state. In addition, grant recipients are
26 prohibited from serving on any state board that has direct or
27 indirect responsibility for approving or auditing grant funds
28 awarded or disbursed by any department or agency.

29 (g) Full and complete audits of grant funds issued by the



1 department or an agency of this state, without redaction unless
2 required by law, must be posted to the department's website in a
3 conspicuous place for public review.

4 (2) On a quarterly basis, the department shall submit a report
5 to the standard report recipients on legislatively sponsored grant
6 funds that includes, but is not limited to, all of the following:

7 (a) The name of each grant recipient and the status of each
8 grant.

9 (b) The amount distributed to each grant recipient.

10 (c) The remaining amount to be distributed to each grant
11 recipient.

12 (d) Any changes to scope or costs of program.

13 (3) The report under subsection (2) must include a statement
14 made by the department that confirms the department reviewed and
15 affirmed compliance by each grant recipient to program scope and
16 expenditure of grant funding.

17 Sec. 218. (1) A department or agency shall require as a
18 condition of each contract or subcontract that the prequalified
19 contractor or prequalified subcontractor agree to use the E-Verify
20 system to verify that all persons hired during the contract term by
21 the contractor or subcontractor are legally present and authorized
22 to work in the United States.

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

29 (3) A department or agency shall not contract with any foreign



1 entities that are known or suspected to be enemies of the United
2 States or known foreign adversaries. Foreign adversaries include
3 all of the following:

4 (a) The People's Republic of China.

5 (b) The Russian Federation.

6 (c) The Islamic Republic of Iran.

7 (d) The Democratic People's Republic of Korea.

8 (e) The Republic of Cuba.

9 (f) The Venezuelan regime of Nicolás Maduro.

10 (g) The Syrian Arab Republic.

11 (h) An agency or other entity under significant control of a
12 country described in subdivisions (a) to (g).

13 (4) As used in this section, "E-Verify" means an internet-
14 based system operated by the Department of Homeland Security, U.S.
15 Citizenship and Immigration Services in partnership with the Social
16 Security Administration.

17 Sec. 219. Funds appropriated in part 1 from state or federal
18 sources are prohibited from being used to provide services, grants,
19 or programming to an individual who is not a citizen of the United
20 States, unless the individual is a qualified alien as that term is
21 defined in 8 USC 1641. This section does not prohibit the
22 department, political subdivision, state university, or other state
23 agency from expending funds for the purpose of detaining
24 individuals who are not citizens of the United States, including
25 any costs associated with housing such individuals in county jails
26 or state correctional facilities.

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



1 exhausted.

2 Sec. 223. A department or agency shall submit a quarterly
3 report that summarizes all work project accounts. The report must
4 include all of the following:

5 (a) A list of all work project accounts.

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

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

13 Sec. 225. (1) Each department or agency shall maintain, on a
14 publicly accessible website, a department or agency scorecard that
15 identifies, tracks, and updates on a quarterly basis key metrics
16 that are used to monitor and improve the department's or agency's
17 performance.

18 (2) A department or agency shall notify the standard report
19 recipients when the quarterly updates to the department scorecard
20 are available on a publicly accessible website.

21 Sec. 226. (1) Unless specifically authorized elsewhere in this
22 part or part 1, funds appropriated in part 1 must not be used to
23 pay for a state obligation that exceeds \$200,000.00 for a court-
24 approved judgment, settlement, award, or claim.

25 (2) This section does not apply to compensation and other
26 relief to individuals wrongfully imprisoned as required under the
27 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
28 to 691.1757.

29 Sec. 227. Not later than November 15, departments and agencies



1 shall disclose on a publicly accessible website private and other
2 third-party funds received by the department in the immediately
3 preceding fiscal year. The report must include the amount and
4 source of funding received, the purpose for which funding was
5 expended, and the amount of any remaining funds. The report must be
6 submitted to the standard report recipients and the chairpersons of
7 the senate and house appropriations committees.

8 Sec. 228. State funds must not be used for diversity, equity,
9 and inclusion, or DEI, initiatives or programs or as outlined in
10 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
11 Radical and Wasteful Government DEI Programs and Preferencing",
12 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
13 Women from Gender Ideology Extremism and Restoring Biological Truth
14 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
15 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
16 Merit-Based Opportunity".

17 Sec. 229. General fund appropriations in part 1 shall not be
18 expended for items in cases where federal funding or private grant
19 funding is available for the same expenditures.

20 Sec. 230. Funds appropriated in part 1 must not be used by
21 this state or a department, agency, or authority of this state to
22 purchase an ownership interest in a casino enterprise or a gambling
23 operation as those terms are defined in the Michigan Gaming Control
24 and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226.

25 Sec. 231. A department or agency required to submit a report
26 under this part shall make each report readily accessible to the
27 public and conspicuously post each required report on the
28 department's or agency's Michigan.gov website not later than the
29 due date required for each report. In addition to placing all



reports required in the current fiscal year on the department or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years.

Sec. 232. (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 to the countercyclical budget and economic stabilization fund for the fiscal year ending September 30, 2026, from GF/GP \$0.00 of the fiscal year ending September 30, 2025 GF/GP unassigned fund balance recorded as part of the state book-closing process for the fiscal year ending September 30, 2025.

Sec. 233. (1) A department or agency that receives an appropriation in part 1 shall assign a product owner for each information technology project that the department or agency undertakes.

(2) Beginning January 1, a product owner assigned to an information technology project with a budget of \$5,000,000.00 or more must possess valid certification as a scrum master and be assigned full time to the information technology project.

(3) As used in this section, "product owner" means an individual from the sponsoring department or agency who is responsible for maximizing the value of the product to be developed by the project and who is responsible for effective product backlog management. Responsibilities of a product owner include, but are not limited to, all of the following:

(a) Developing and explicitly communicating the product goal.

(b) Creating and clearly communicating product backlog items.

(c) Prioritizing product backlog items.

(d) Ensuring that the product backlog is transparent, visible, and understood.

(e) Ensuring that there is frequent and effective communication among the project manager, vendor, and product owner to ensure collaboration in addressing all risks and issues as they



1 arise.

2 (f) Ensuring product users are regularly engaged in the
3 development process for testing and input on development of the
4 product.

5 Sec. 234. A department or agency that is appropriated funds in
6 part 1 shall delegate the responsibility for the procurement,
7 development, and maintenance of all information technology services
8 to the MDTMB unless the department or agency is otherwise delegated
9 the responsibility by law.

10
11 **DEPARTMENT OF ATTORNEY GENERAL**

12 Sec. 301. (1) In addition to the funds appropriated in part 1,
13 there is appropriated an amount not to exceed \$750,000.00 for
14 federal contingency authorization. Amounts appropriated under this
15 subsection are not available for expenditure until they have been
16 transferred to another line item in part 1 under section 393(2) of
17 the management and budget act, 1984 PA 431, MCL 18.1393.

18 (2) In addition to the funds appropriated in part 1, there is
19 appropriated an amount not to exceed \$750,000.00 for state
20 restricted contingency authorization. Amounts appropriated under
21 this subsection are not available for expenditure until they have
22 been transferred to another line item in part 1 under section
23 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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



1 (4) In addition to the funds appropriated in part 1, there is
2 appropriated an amount not to exceed \$50,000.00 for private
3 contingency authorization. Amounts appropriated under this
4 subsection are not available for expenditure until they have been
5 transferred to another line item in part 1 under section 393(2) of
6 the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

19 (3) The attorney general shall perform the duties specified in
20 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to
21 14.102, and as otherwise provided by law.

22 Sec. 303. The attorney general may provide not more than 350
23 copies of the report required under section 30 of 1846 RS 12, MCL
24 14.30, on a gratis basis. If the attorney general provides 350
25 copies of the report on a gratis basis, the attorney general may
26 sell additional copies of the report. The attorney general shall
27 not provide gratis copies of the report to members of the
28 legislature. Electronic copies of biennial reports must be made
29 available on the department of attorney general's website. The



1 attorney general shall sell copies of the report at not less than
2 the actual cost of the report and deposit the money received from
3 the sales into the general fund.

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

11 Sec. 307. (1) In addition to the antitrust enforcement
12 collections revenues in part 1, not more than \$350,000.00 in
13 antitrust revenues, securities fraud revenues, consumer protection
14 or class action enforcement revenues, or attorney fees recovered by
15 the department of attorney general are appropriated to the
16 department of attorney general for antitrust, securities fraud, and
17 consumer protection or class action enforcement cases.

18 (2) Not more than \$1,000,000.00 of the unexpended funds from
19 antitrust revenues, securities fraud revenues, or consumer
20 protection or class action enforcement revenues at the end of the
21 fiscal year, including antitrust funds in part 1, may be carried
22 forward for expenditure in the following fiscal year.

23 (3) On request, the department of attorney general shall make
24 available information detailing the amount of revenue described in
25 subsection (1) recovered by the attorney general and a description
26 of the source of the revenue and the carryforward amount.

27 Sec. 308. (1) In addition to the funds appropriated in part 1,
28 not more than \$1,000,000.00 is appropriated from litigation expense
29 reimbursements awarded to this state.



1 (2) The funds described in subsection (1) may be expended for
2 the payment of court judgments, settlements, arbitration awards or
3 other administrative and litigation decisions, attorney fees, and
4 litigation costs, assessed against the office of the governor, the
5 department of attorney general, the governor, or the attorney
6 general when acting in an official capacity as the named party in
7 litigation against this state. The funds described in subsection
8 (1) may also be expended for the payment of state costs incurred
9 under section 16 of chapter X of the code of criminal procedure,
10 1927 PA 175, MCL 770.16.

11 (3) Unexpended funds at the end of the fiscal year may be
12 carried forward for expenditure in the following year, but not more
13 than a maximum authorization of \$250,000.00.

14 Sec. 309. (1) From the prisoner reimbursement funds
15 appropriated in part 1, the department of attorney general may
16 expend not more than \$702,600.00 on activities related to the state
17 correctional facility reimbursement act, 1935 PA 253, MCL 800.401
18 to 800.406. In addition to the funds appropriated in part 1, if the
19 department of attorney general collects more than \$1,131,000.00 in
20 gross annual prisoner reimbursement receipts provided to the
21 general fund, not more than \$1,000,000.00 of the excess is
22 appropriated to the department of attorney general and may be spent
23 on the representation of the MDOC and its officers, employees, and
24 agents, including, but not limited to, the defense of litigation in
25 civil actions filed by prisoners against this state, its
26 departments, officers, employees, or agents.

27 (2) Not later than March 1, the department of attorney general
28 shall submit a report to the standard report recipients and the
29 house of representatives and senate appropriations subcommittees



1 with jurisdiction over the budget of the MDOC. The report must
2 include all of the following:

3 (a) The total amount of reimbursements received under section
4 6 of the state correctional facility reimbursement act, 1935 PA
5 253, MCL 800.406.

6 (b) A description of each expenditure made from the
7 reimbursements.

8 (c) The amount paid to conduct the investigations from the
9 reimbursements.

10 (d) The amount credited to the general fund from the
11 reimbursements.

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

17 (2) The attorney general or the attorney general's designee
18 shall, to the extent allowed under federal law, have access to any
19 information used by this state to locate parents who fail to pay
20 court-ordered child support.

21 Sec. 312. The department of attorney general shall not receive
22 or expend funds, other than those authorized in part 1, for legal
23 services provided specifically to other state departments or
24 agencies except for expert witness costs, court costs, or other
25 nonsalary litigation costs associated with a pending legal action.

26 Sec. 313. The department of attorney general shall submit a
27 quarterly report on the lawsuit settlement proceeds fund described
28 in section 33 of 1846 RS 12, MCL 14.33, to the standard report
29 recipients. Each report must include all of the following:



1 (a) The total amount of revenue deposited in the lawsuit
2 settlement proceeds fund in the current fiscal year delineated by
3 case.

4 (b) The total amount appropriated from the lawsuit settlement
5 proceeds fund in the current fiscal year delineated by
6 appropriation.

7 (c) Earned settlement proceeds that are anticipated but not
8 yet deposited in the fund delineated by case.

9 (d) Any known potential settlement amounts from cases that
10 have not been decided, delineated by case.

11 Sec. 315. Total authorized appropriations from all sources
12 under part 1 for legacy costs for the fiscal year ending September
13 30, 2026 are \$13,154,800.00. From this amount, total department of
14 attorney general appropriations for pension-related legacy costs
15 are estimated at \$11,864,800.00. Total department of attorney
16 general appropriations for retiree health care legacy costs are
17 estimated at \$1,290,000.00.

18 Sec. 317. (1) The department of attorney general shall submit
19 a report to the standard report recipients and the state budget
20 director. The report must include all legal costs and associated
21 expenses related to the declaration of emergency due to drinking
22 water contamination and the investigations and any resulting
23 prosecutions. The state budget director shall include the report in
24 the Flint water emergency-financial and activities tracking and
25 reporting document that is posted by the state budget director on
26 the public website, [https://www.michigan.gov/budget/fiscal-](https://www.michigan.gov/budget/fiscal-pages/reports/flint)
27 [pages/reports/flint](https://www.michigan.gov/budget/fiscal-pages/reports/flint). The tracking and reporting documents must
28 include the budget line item source for each expenditure.

29 (2) At the conclusion of all attorney general investigations



1 related to the declaration of emergency due to drinking water
2 contamination, all materials related to any investigations shall be
3 preserved pursuant to applicable document retention policies.

4 Sec. 319. From the funds appropriated in part 1, the attorney
5 general shall submit a quarterly report on the wrongful
6 imprisonment compensation fund that includes at least all of the
7 following:

8 (a) All payments made from the wrongful imprisonment
9 compensation fund in each prior quarter of the fiscal year, and the
10 total of those payments, including if each payment is part of a new
11 settlement or part of an installment plan.

12 (b) Total payments made from each prior fiscal year and the
13 total of all payments to date.

14 (c) Any settlements that have been decided but have yet to
15 receive a payment.

16 (d) The number of known cases seeking a settlement, but do not
17 have a final judgment, and the dollar amount of each potential
18 payment for these known cases, and the total of these payments.

19 (e) The balance of the wrongful imprisonment compensation fund
20 at the end of the previous quarter.

21 (f) The percentage of claims received in the immediately
22 preceding fiscal quarter that were awarded compensation.

23 (g) The percentage of claims received in the immediately
24 preceding fiscal year that were awarded compensation.

25 (h) For claims that did not receive the full amount of
26 compensation sought, both of the following:

27 (i) The amount of compensation that was sought.

28 (ii) The amount of compensation that was received.

29 Sec. 320. (1) From the funds appropriated in part 1, the



1 department of attorney general shall do all of the following:

2 (a) Not later than 14 days after the settlement of a lawsuit
3 with a fiscal impact of \$200,000.00 or more, submit a report on the
4 settlement to the standard report recipients.

5 (b) Enforce the laws of this state.

6 (2) Any proceeds from a lawsuit initiated by or settlement
7 agreement entered into on behalf of this state against a
8 manufacturer of tobacco products or manufacturer or distributor of
9 opioid products by the attorney general are state funds, unless
10 otherwise directed by a court or legal agreement, and are subject
11 to appropriation as provided by law.

12 Sec. 321. From the funds appropriated in part 1, the
13 department of attorney general shall maintain a publicly accessible
14 website dedicated to opioid settlement distributions. The website
15 must include estimated future amounts payable to local units of
16 government and estimated amounts received by local units of
17 government, delineated by case settlement agreement.

18 Sec. 322. (1) Not later than February 1, the department of
19 attorney general shall submit a report to the standard report
20 recipients on the cumulative dollar expenditure amount related to
21 each of the following initiatives and activities of the department
22 of attorney general for the immediately preceding fiscal year:

23 (a) Catholic church investigation.

24 (b) Elder abuse task force.

25 (c) Conviction integrity unit.

26 (d) Opioid litigation.

27 (e) Hate crimes unit and domestic terrorism unit.

28 (f) Payroll fraud enforcement unit.

29 (g) PFAS contamination. As used in this subdivision, "PFAS"



1 means perfluoroalkyl and polyfluoroalkyl substances.

2 (h) Human trafficking.

3 (i) Robocall enforcement.

4 (j) Job court.

5 (k) Organized retail crime unit.

6 (l) Reducing utility rate increases.

7 (m) Boy Scouts of America investigation.

8 (n) Address confidentiality program.

9 (2) For each expenditure required to be reported under
10 subsection (1), the report must include the dollar amount spent by
11 fund source.

12 (3) For each initiative required to be reported under
13 subsection (1), the department of attorney general shall provide
14 performance metrics and initiative outcomes corresponding to the
15 performance metrics.

16 Sec. 324. (1) Not later than September 30, the department of
17 attorney general must make available to the public on its website a
18 report on the activities and findings, since April 1, 2019, of the
19 payroll fraud enforcement unit. The report must include all of the
20 following:

21 (a) A list of each complaint received by the unit.

22 (b) For each complaint listed under subdivision (a), whether
23 the attorney general took enforcement action on the complaint and,
24 if applicable, a description of the enforcement action.

25 (2) If the payroll fraud enforcement unit requests that
26 another department or agency investigate the validity of a report
27 received by the unit, or if the unit refers a complaint to another
28 department or agency, the department of attorney general shall
29 request the department or agency to report back on the department's



1 or agency's findings to enable the department of attorney general
2 to comply with this section.

3 Sec. 325. It is the intent of the legislature that from the
4 funds appropriated in part 1, the department of attorney general
5 shall not take any legal action or join or take part in any
6 multistate lawsuit, lawsuit against the federal government, or
7 lawsuit against any oil or gas entity except on appropriation or
8 legislative transfer that is made for those purposes in accordance
9 with section 393(2) of the management and budget act, 1984 PA 431,
10 MCL 18.1393.

11 Sec. 326. From the funds appropriated in part 1, the
12 department of attorney general shall not contract for legal
13 services or for the appointment of a special assistant attorney
14 general with a person in which compensation and the repayment of
15 costs to the person are contingent on the successful recovery of
16 funds obtained in the litigation or services pursued under the
17 terms of the contract.

18
19 **DEPARTMENT OF CIVIL RIGHTS**

20 Sec. 401. (1) In addition to the funds appropriated in part 1,
21 there is appropriated an amount not to exceed \$1,000,000.00 for
22 federal contingency authorization. Amounts appropriated under this
23 subsection are not available for expenditure until they have been
24 transferred to another line item in part 1 under section 393(2) of
25 the management and budget act, 1984 PA 431, MCL 18.1393.

26 (2) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$375,000.00 for private
28 contingency authorization. Amounts appropriated under this
29 subsection are not available for expenditure until they have been



1 transferred to another line item in part 1 under section 393(2) of
2 the management and budget act, 1984 PA 431, MCL 18.1393.

3 Sec. 402. (1) In addition to the appropriations contained in
4 part 1, the department of civil rights may receive and expend not
5 more than \$600,000.00 in funds from local sources, private sources,
6 or both, for all of the following purposes:

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

9 (b) Publishing and selling civil rights related informational
10 material.

11 (c) Providing copies of material made available in response to
12 requests under the freedom of information act, 1976 PA 442, MCL
13 15.231 to 15.246.

14 (d) Paying other copy fees, subpoena fees, and witness fees.

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

17 (f) Providing workshops, seminars, and recognition or award
18 programs consistent with the programmatic mission of the individual
19 unit sponsoring or coordinating the programs.

20 (g) Paying staffing costs for all activities included in this
21 subsection.

22 (2) Not later than November 30, the department of civil rights
23 shall submit a report to the standard report recipients and the
24 senate and house of representatives standing committees on
25 appropriations on the amount of funds received and expended for
26 purposes authorized under this section.

27 Sec. 403. (1) The department of civil rights may contract with
28 local units of government to review equal employment opportunity
29 compliance of potential and existing contractors and may charge for



1 and expend amounts received from local units of government for the
2 purpose of developing and providing these contractual services.

3 (2) Not later than November 30, the department of civil rights
4 shall submit a report to the standard report recipients and the
5 senate and house of representatives standing committees on
6 appropriations on the amount of funds received and expended for
7 purposes authorized under this section.

8 Sec. 404. The department of civil rights shall submit
9 quarterly reports to the standard report recipients that include,
10 but are not limited to, all of the following information for the
11 immediately preceding fiscal quarter:

12 (a) The number of all complaints received by the department by
13 basis of complaint.

14 (b) The number of certified complaint cases initiated by basis
15 of complaint.

16 (c) The number of certified complaint cases completed.

17 (d) The final disposition of certified complaint case
18 investigations.

19 (e) The average number of days for a case to be completed
20 after certification.

21 (f) The number of FTE positions filled from the FTE
22 authorization for complaint investigations and enforcement.

23 (g) The number of open cases that have been open for more than
24 1 year.

25 (h) The quotient of the number of certified cases completed
26 divided by the number of filled FTE positions.

27 (i) A listing of amounts awarded to claimants.

28 Sec. 405. On submitting a report or complaint to the United
29 States Commission on Civil Rights or any other federal department,



1 the department of civil rights shall submit a copy of the report or
2 complaint to the standard report recipients not later than the next
3 business day.

4 Sec. 406. From the funds appropriated in part 1, not later
5 than January 31, the department of civil rights shall submit a
6 report to the standard report recipients on the Native American
7 boarding school study. The report must include all of the
8 following:

9 (a) Information on the activities conducted for the study by
10 the department of civil rights and any contracted university or
11 entity.

12 (b) Total expenditures to date.

13 (c) The estimated date for publication of the final report.

14 Sec. 410. Total authorized appropriations from all sources
15 under part 1 for legacy costs for the fiscal year ending September
16 30, 2026 are \$2,656,800.00. From this amount, total department of
17 civil rights appropriations for pension-related legacy costs are
18 estimated at \$2,396,300.00. Total department of civil rights
19 appropriations for retiree health care legacy costs are estimated
20 at \$260,500.00.

21 Sec. 411. From the funds appropriated in part 1, the
22 department of civil rights may provide grants to cultural museums.
23 Any grant funding provided must be equally divided between grant
24 recipients.

25 26 **LEGISLATURE**

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



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

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

17 Sec. 602. The senate may charge rent and assess charges for
18 utility costs. The amounts received for rent charges and utility
19 assessments are appropriated to the senate for the renovation,
20 operation, and maintenance of the Binsfeld Office Building.

21 Sec. 604. (1) The appropriation in part 1 to the Michigan
22 state capitol historic site includes funds to operate the
23 legislative parking facilities in the capitol area. The Michigan
24 state capitol commission shall establish rules regarding the
25 operation of the legislative parking facilities.

26 (2) The Michigan state capitol commission may collect a fee
27 from state employees and the general public using certain
28 legislative parking facilities. The revenues received from the
29 parking fees are appropriated on receipt and must be allocated by



1 the Michigan state capitol commission.

2 (3) As used in this section, "Michigan state capitol
3 commission" means the Michigan state capitol commission established
4 in the Michigan state capitol historic site act, 2013 PA 240, MCL
5 4.1945.

6 Sec. 606. The unexpended funds appropriated in part 1 for
7 Binsfeld Office Building and other properties are designated as a
8 work project appropriation, and any unencumbered or unallotted
9 funds shall not lapse at the end of the fiscal year and shall be
10 available for expenditures for projects under this section until
11 the projects have been completed. The following is in compliance
12 with section 451a of the management and budget act, 1984 PA 431,
13 MCL 18.1451a:

14 (a) The purpose of the project is to purchase equipment and
15 services for building maintenance to ensure a safe and productive
16 work environment.

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

19 (c) The total estimated cost of the project is \$2,000,000.00.

20 (d) The tentative completion date is September 30, 2029.

21 Sec. 608. In addition to funds appropriated in part 1, the
22 Michigan capitol committee publications save the flags fund account
23 may accept contributions, gifts, bequests, devises, grants, and
24 donations. Those funds that are not expended in the fiscal year
25 ending September 30, 2025 do not lapse at the close of the fiscal
26 year, and must be carried forward for expenditure in the following
27 fiscal years.

28 Sec. 611. (1) From the funds appropriated in part 1 for
29 senate, \$250,000.00 must be allocated for an internship program.



1 (2) From the funds appropriated in part 1 for house of
2 representatives, \$250,000.00 must be allocated for an internship
3 program.

4 Sec. 612. It is the intent of the legislature that, from the
5 funds appropriated in part 1, the Michigan state capitol commission
6 established in section 5 of the Michigan state capitol historic
7 site act, 2013 PA 240, MCL 4.1945, ensure that the Capitol Building
8 is open for not less than 3 hours on Saturdays that are not state
9 holidays.

10 Sec. 615. Total authorized appropriations from all sources
11 under part 1 for legacy costs for the fiscal year ending September
12 30, 2026 are estimated at \$18,218,100.00. From this amount, total
13 legislature appropriations for pension-related legacy costs are
14 estimated at \$16,431,700.00. Total legislature appropriations for
15 retiree health care legacy costs are estimated at \$1,786,400.00.

16
17 **LEGISLATIVE AUDITOR GENERAL**

18 Sec. 620. In accordance with section 53 of article IV of the
19 state constitution of 1963, the auditor general shall conduct
20 audits of the executive, judicial, and legislative branches.

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

27 Sec. 623. Any audits, reviews, or investigations requested of
28 the auditor general by the legislature or by legislative
29 leadership, legislative committees, or individual legislators must



1 include an estimate of the additional costs involved and, if those
2 costs exceed \$50,000.00, must provide supplemental funding. The
3 auditor general shall determine whether to perform those activities
4 in accordance with Operations Manual Policy No. 2-26.

5 Sec. 625. A branch, department, office, board, commission,
6 agency, authority, or institution of this state shall not deny the
7 auditor general access to examine its confidential information. The
8 auditor general is subject to the same duty of confidentiality
9 imposed by law on the entity providing the confidential
10 information.

11 Sec. 628. On a quarterly basis, the auditor general shall
12 submit a report to the standard report recipients, the chairpersons
13 of the senate and house of representatives appropriations
14 committees, and the senate and house of representatives oversight
15 committees that includes all of the following information related
16 to projects initiated during the immediately preceding quarter:

17 (a) Audit title.

18 (b) Audit type.

19 (c) Audit period.

20 (d) Audit objectives.

21 (e) Branch of government being audited.

22 (f) Whether the auditor general or a contracted auditor is
23 conducting the audit and, if a contracted auditor is conducting the
24 audit, the identity of the contracted auditor.

25 (g) Details regarding the reason for initiating the audit,
26 including whether it was discretionary or required by statute.

27 (h) Details regarding any similar audit the auditor general
28 has completed in the past.

29 (i) Estimated time frame for completion of the audit.



1 (j) Estimated total auditor general resources necessary to
2 complete the audit and release a report.

3 Sec. 629. On a quarterly basis, the auditor general shall
4 submit a report to the standard report recipients, the chairpersons
5 of the senate and house of representatives appropriations
6 committees, and the senate and house of representatives oversight
7 committees that includes all of the following information for each
8 project in progress during the immediately preceding quarter:

9 (a) Audit title.

10 (b) Date the audit was initiated.

11 (c) Audit status.

12 (d) Estimated time frame for completion of the audit.

13 (e) Details regarding the resources spent on the audit to
14 date.

15 (f) Estimated total auditor general resources necessary to
16 complete the audit and release a report.

17 Sec. 630. On a quarterly basis, the auditor general shall
18 submit a report to the standard report recipients, the chairpersons
19 of the senate and house of representatives appropriations
20 committees, and the senate and house of representatives oversight
21 committees that contains all of the following information for each
22 project completed during the immediately preceding quarter:

23 (a) Audit title.

24 (b) Date the audit was initiated.

25 (c) Date the audit report was released.

26 (d) Results of the audit, including the number and type of
27 findings.

28 (e) Details regarding total auditor general resources spent on
29 the audit.



1 (f) To the extent authorized by law, details regarding any
2 inquiry, tip, or request related to the audit that the auditor
3 general received before initiating the audit.

4 Sec. 631. From the funds appropriated in part 1 for field
5 operations, the office of the auditor general shall conduct an
6 audit of the secretary of state's systematic review of the voter
7 rolls based on requirements under section 728 of this part. The
8 office of the auditor general shall conduct the audit at least 1
9 time every 2 years beginning not later than the fiscal year ending
10 September 30, 2026. The audit must include, but not be limited to,
11 the review of the proper procedures, process followed,
12 notifications, and verification that voter notification has been
13 completed as required.

14
15 **DEPARTMENT OF STATE**

16 Sec. 701. (1) In addition to the funds appropriated in part 1,
17 there is appropriated an amount not to exceed \$500,000.00 for
18 federal contingency authorization. Amounts appropriated under this
19 subsection are not available for expenditure until they have been
20 transferred to another line item in part 1 under section 393(2) of
21 the management and budget act, 1984 PA 431, MCL 18.1393.

22 (2) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$500,000.00 for state
24 restricted contingency authorization. Amounts appropriated under
25 this subsection are not available for expenditure until they have
26 been transferred to another line item in part 1 under section
27 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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



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

5 (4) In addition to the funds appropriated in part 1, there is
6 appropriated an amount not to exceed \$50,000.00 for private
7 contingency authorization. Amounts appropriated under this
8 subsection are not available for expenditure until they have been
9 transferred to another line item in part 1 under section 393(2) of
10 the management and budget act, 1984 PA 431, MCL 18.1393.

11 Sec. 703. From the funds appropriated in part 1, the MDOS
12 shall submit quarterly reports on record lookup fees to the
13 standard report recipients. Each report must include the number of
14 records sold and the revenues collected as authorized in section
15 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b,
16 section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315,
17 81114, and 82156 of the natural resources and environmental
18 protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114,
19 and 324.82156.

20 Sec. 704. Funds appropriated in part 1 must not be used to
21 advertise or promote department of state activities through radio,
22 audiorecorded messages, billboards, or other signage to the public.

23 Sec. 705. (1) The MDOS may accept gifts, donations,
24 contributions, and grants of money and other property from any
25 private or public source to underwrite, in whole or in part, the
26 cost of a departmental publication that is prepared and
27 disseminated under the Michigan vehicle code, 1949 PA 300, MCL
28 257.1 to 257.923. A private or public funding source may receive
29 written recognition in the publication and may furnish a traffic



1 safety message, subject to approval of the MDOS, for inclusion in
2 the publication. The MDOS may reject a gift, donation,
3 contribution, or grant. The MDOS may furnish copies of a
4 publication underwritten, in whole or in part, by a private source
5 to the underwriter at no charge.

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

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

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



1 (5) Not later than March 1, the MDOS shall submit a report to
2 the standard report recipients that includes all of the following
3 information for the immediately preceding fiscal year:

4 (a) The amount of gifts, contributions, donations, and grants
5 of money received by the MDOS under section 705 of article 5 of
6 2024 PA 121.

7 (b) A list of the expenditures made from the amounts received
8 by the MDOS as reported in subdivision (a).

9 (c) A list of any gift, donation, contribution, or grant of
10 property other than funding received by the MDOS under section 705
11 of article 5 of 2024 PA 121.

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

15 (6) In addition to copies delivered without charge as the
16 secretary of state considers necessary, the MDOS may sell copies of
17 manuals and other publications regarding the sale, ownership, or
18 operation or regulation of motor vehicles, with amendments, at
19 prices to be established by the secretary of state. As used in this
20 subsection, the term "manuals and other publications" includes
21 videos and proprietary electronic publications. All funds received
22 from sales of these manuals and other publications must be credited
23 to the Michigan department of state publications fund created in
24 section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211.

25 Sec. 707. Funds collected by the MDOS under section 211 of the
26 Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated
27 for all expenses necessary to provide for the costs of the
28 publication described in section 211 of the Michigan vehicle code,
29 1949 PA 300, MCL 257.211. Funds are allocated for expenditure when



1 they are received by the department of treasury and do not lapse to
2 the general fund at the end of the fiscal year.

3 Sec. 708. From the funds appropriated in part 1, the MDOS
4 shall use available balances at the end of the state fiscal year to
5 provide payment to the MDSP in the amount of \$332,000.00 for the
6 services provided by the traffic accident records program as first
7 appropriated in 1990 PA 196 and 1990 PA 208.

8 Sec. 709. From the funds appropriated in part 1, the MDOS may
9 restrict funds from miscellaneous revenue to cover cash shortages
10 created from normal branch office operations. The restricted amount
11 must not exceed \$50,000.00 of the total funds available in
12 miscellaneous revenue.

13 Sec. 711. Collector plate and fund-raising registration plate
14 revenues collected by the MDOS are appropriated and allotted for
15 distribution to the recipient university or public or private
16 agency overseeing a state-sponsored goal when received.
17 Distributions must occur on a quarterly basis or as otherwise
18 authorized by law. Any revenues remaining at the end of the fiscal
19 year do not lapse to the general fund and remain available for
20 distribution to the university or agency in the next fiscal year.

21 Sec. 713. (1) The MDOS, in collaboration with the Gift of Life
22 Michigan or its successor federally designated organ procurement
23 organization, may develop and administer a public information
24 campaign concerning the Michigan organ donor program.

25 (2) The MDOS may solicit funds from any private or public
26 source to underwrite, in whole or in part, the public information
27 campaign authorized by this section. The MDOS may accept gifts,
28 donations, contributions, and grants of money and other property
29 from private and public sources for this purpose. A private or



1 public funding source underwriting the public information campaign,
2 in whole or in substantial part, shall receive sponsorship credit
3 for its financial backing.

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

8 (4) Funding appropriated in part 1 for the organ donor program
9 must be used to produce a pamphlet regarding organ donations and to
10 distribute the pamphlet with driver licenses and personal
11 identification cards. The pamphlet must do both of the following:

12 (a) Explain the organ donor program and encourage people to
13 become donors by marking a checkoff on driver license and personal
14 identification card applications.

15 (b) Include a return reply form addressed to the gift of life
16 organization.

17 (5) Funding appropriated in part 1 for the organ donor program
18 must be used to pay for return postage costs of the return reply
19 form described in subsection (4) (b).

20 (6) In addition to the appropriations in part 1, the MDOS may
21 receive and expend funds from the organ and tissue donation
22 education fund for administrative expenses.

23 (7) Not later than March 1, the department shall submit a
24 report to the standard report recipients. The report must include
25 all of the following:

26 (a) The amount of revenue collected by the MDOS under this
27 section.

28 (b) The purpose of each expenditure.

29 (c) The amount of revenue carried forward.



1 Sec. 714. (1) Except as otherwise provided under subsection
2 (2), not less than 180 days before closing a branch office or
3 consolidating a branch office and not less than 60 days before
4 relocating a branch office, the MDOS shall submit a report to the
5 standard report recipients, the members of the senate and house of
6 representatives standing committees on appropriations, and
7 legislators who represent affected areas. The report must include
8 all of the following:

9 (a) All analyses done regarding criteria for changes in the
10 location of branch offices, including, but not limited to, all of
11 the following:

12 (i) Branch transactions.

13 (ii) Revenue.

14 (iii) The impact on citizens of the affected area, including
15 information regarding additional distance to branch office
16 locations resulting from the changes.

17 (b) Detailed estimates of costs and savings that will result
18 from the overall changes made to the branch office structure.

19 (c) Detailed estimates of costs for new leased facilities and
20 expansions of current leased space.

21 (2) If the consolidation of a branch office is with another
22 branch office that is located within the same local unit of
23 government or the relocation of a branch office is to another
24 location that is located within the same local unit of government,
25 the MDOS is not required to submit a report under subsection (1).

26 (3) As used in this section, "local unit of government" means
27 a city, village, township, or county.

28 Sec. 715. (1) Any service assessment collected by the MDOS
29 from the user of a credit or debit card under section 3 of 1995 PA



1 144, MCL 11.23, may be used by the MDOS for necessary expenses
2 related to that service and may be remitted to a credit or debit
3 card company, bank, or other financial institution.

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

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

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

19 Sec. 716. With funds appropriated in part 1 for branch
20 operations, the department of state shall provide adequate in-
21 person services as defined in section 1a of the Michigan vehicle
22 code, 1949 PA 300, MCL 257.1a.

23 Sec. 717. (1) The MDOS may accept gifts, donations, or
24 contributions of property from any private or public source to
25 support, in whole or in part, the operation of a departmental
26 function relating to licensing, regulation, or safety. The MDOS may
27 recognize a private or public contributor for making the
28 contribution. The MDOS may reject a gift, donation, or
29 contribution. Any revenues received under this subsection may be



1 expended for the departmental functions relating to licensing,
2 regulation, or safety.

3 (2) The MDOS shall not accept a gift, donation, or
4 contribution under subsection (1) if receipt of the gift, donation,
5 or contribution is conditioned on a commitment of future state
6 funding.

7 (3) Not later than March 1, the MDOS shall submit a report to
8 the standard report recipients. The report must include a list of
9 each gift, donation, or contribution received by the department
10 under subsection (1) for the immediately preceding calendar year.

11 Sec. 718. From the funds appropriated in part 1 for election
12 regulation, all money must be spent in accordance with the Michigan
13 election law, 1954 PA 116, MCL 168.1 to 168.992, and the
14 instructions, orders, and guidance of the secretary of state
15 regarding the proper method for the conduct and administration of
16 elections.

17 Sec. 720. Not later than February 1, the secretary of state
18 shall submit a report to the standard report recipients that
19 includes all of the following information:

20 (a) The total number of notices sent by the clerk under
21 section 509aa(2) or (3) of the Michigan election law, 1954 PA 116,
22 MCL 168.509aa, that were returned as undeliverable as described in
23 section 509aa(4) of the Michigan election law, 1954 PA 116, MCL
24 168.509aa.

25 (b) The total number of electors to whom the secretary of
26 state mailed a notice under section 509aa(5) of the Michigan
27 election law, 1954 PA 116, MCL 168.509aa.

28 (c) The total number of each of the following:

29 (i) Electors who changed residence and moved out of state.



1 (ii) Electors who changed residence and moved in state.

2 (iii) In-state duplicate voter registration records.

3 (iv) Electors who are determined to be deceased.

4 (d) The total number of electors who corrected their voter
5 registration records after being mailed a notice by the secretary
6 of state under section 509aa(5) of the Michigan election law, 1954
7 PA 116, MCL 168.509aa.

8 (e) The number of possible improper votes cast by an elector
9 at the preceding primary election referred to law enforcement by
10 the secretary of state.

11 (f) The number of possible improper votes cast by an elector
12 at the immediately preceding general election referred to law
13 enforcement by the secretary of state.

14 Sec. 722. (1) From the funds appropriated in part 1, not later
15 than February 1, the MDOS shall submit an expense report related to
16 CARS to the standard report recipients and the senate and house of
17 representatives standing committees on appropriations. The report
18 must include itemized expenditures made on behalf of CARS by fund
19 source in the immediately preceding fiscal year and projected
20 expenditures to be made on behalf of CARS in the current fiscal
21 year and the next fiscal year.

22 (2) As used in this section, "CARS" means the customer and
23 automotive records system.

24 Sec. 724. The MDOS shall reimburse a county, city, or township
25 for allowable expenses not later than 60 days after the MDOS
26 receives a bill for allowable expenses and all necessary
27 documentation from the county, city, or township.

28 Sec. 725. Total authorized appropriations from all sources
29 under part 1 for legacy costs for the fiscal year ending September



1 30, 2026 are estimated at \$18,648,000.00. From this amount, total
2 department of state appropriations for pension-related legacy costs
3 are estimated at \$16,819,300.00. Total department of state
4 appropriations for retiree health care legacy costs are estimated
5 at \$1,828,700.00.

6 Sec. 726. (1) The Michigan technology transparency fund is
7 created within the state treasury.

8 (2) Funds may be spent from the Michigan technology
9 transparency fund only on appropriation, or legislative transfer in
10 accordance with section 393(2) of the management and budget act,
11 1984 PA 431, MCL 18.1393.

12 (3) Subject to subsection (2), funds appropriated in part 1
13 for Michigan technology transparency fund are available for
14 information technology services and projects for the department of
15 state.

16 Sec. 727. (1) From the funds appropriated in part 1 for
17 election administration and services, the department of state shall
18 not contract or spend funds appropriated in part 1 for third-party
19 services related to multistate sharing of voter registration
20 information that requires or allows for use of any voter related
21 information to be shared, sold, or used in any way other than to
22 provide a cross-check verification of voter registration
23 information and status with the department of state.

24 (2) The department of state shall send a copy of any
25 multistate cross check agreement, contract, membership, memorandum
26 of understanding, or the like to the house of representatives and
27 senate standing committees on elections, the house of
28 representatives and senate appropriations subcommittees on general
29 government, and the house of representatives and senate



1 appropriations committees.

2 (3) The legislature may terminate any agreement, contract,
3 membership, or memorandum of understanding described in this
4 section if any requirements of this section are violated.

5 (4) The department of state shall provide a semiannual report
6 on the activities and voter records information sent and received
7 or exchanged between or through the interstate compact to the chair
8 of the house of representatives and senate standing committees on
9 elections and the house of representatives and senate
10 appropriations subcommittees on general government.

11 Sec. 728. (1) The department of state shall conduct a
12 systematic review of the qualified voter file by comparing to the
13 department of state's driver license and state personal
14 identification card databases, legal presence documents received
15 during identification transactions, information from the Systematic
16 Alien Verification for Entitlements Program of the United States
17 Citizenship and Immigration Services under the United States
18 Department of Homeland Security or any other relevant program to
19 verify the citizenship status and voter eligibility of registered
20 electors in the qualified voter file.

21 (2) The department of state shall conduct a systematic review
22 to determine if any individuals currently included in the qualified
23 voter file have been identified by the help America vote
24 verification system as nonmatching with United States Social
25 Security Administration records. The department of state shall make
26 reasonable efforts to determine the eligibility of these
27 individuals, including, but not limited to, sending a notice to a
28 nonmatching individual, using available data provided by the
29 federal government or other sources, seeking the assistance of



1 appropriate federal, state, or local officials or agencies, and any
2 other efforts the department of state determines are appropriate.

3 (3) The department of state shall conduct a systematic review
4 to identify individuals who have moved to another state or country
5 and whose primary residence is no longer be in Michigan. To conduct
6 the review, the department of state shall use, in addition to
7 current processes employed by the department of state, resources,
8 including but not limited to, the national change of address
9 program operated by the United States Postal Service and the
10 qualified voter files of other states

11 (4) The department of state shall notify each individual in
12 the qualified voter file identified by the department of state's
13 systematic reviews as potentially noneligible that the individual's
14 voter registration is in question and provide the individual the
15 opportunity to respond before the individual's voter registration
16 is cancelled or scheduled for cancellation after 2 federal
17 elections as appropriate.

18 (5) Not later than April 1, the department of state shall
19 submit a report to the standard report recipients, the house of
20 representatives and senate standing committees on elections, and
21 the house of representatives and senate appropriations committees
22 on the reviews conducted under this section and the findings. The
23 report must include all of the following:

24 (a) A summary of the systematic review process.

25 (b) Any databases or resources used.

26 (c) The number of noncitizen individuals with presence in the
27 United States who have obtained a driver license or personal state
28 identification card.

29 (d) The number of individuals who are in the qualified voter



1 file but have been identified as nonmatching to the United States
2 Social Security Administration records.

3 (e) The total number individuals by each category, count of
4 registration, date of registration, and source of registration.

5 (6) This review must be conducted not less than every 2 years
6 beginning not later than 2026 and not later than January 31 in
7 every subsequent even-numbered year.

8
9 **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

10 Sec. 801. (1) In addition to the funds appropriated in part 1,
11 there is appropriated an amount not to exceed \$2,000,000.00 for
12 federal contingency authorization. Amounts appropriated under this
13 subsection are not available for expenditure until they have been
14 transferred to another line item in part 1 under section 393(2) of
15 the management and budget act, 1984 PA 431, MCL 18.1393.

16 (2) In addition to the funds appropriated in part 1, there is
17 appropriated an amount not to exceed \$4,000,000.00 for state
18 restricted contingency authorization. Amounts appropriated under
19 this subsection are not available for expenditure until they have
20 been transferred to another line item in part 1 under section
21 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

22 (3) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$75,000.00 for local
24 contingency authorization. Amounts appropriated under this
25 subsection are not available for expenditure until they have been
26 transferred to another line item in part 1 under section 393(2) of
27 the management and budget act, 1984 PA 431, MCL 18.1393.

28 (4) In addition to the funds appropriated in part 1, there is
29 appropriated an amount not to exceed \$50,000.00 for private



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

5 Sec. 802. Any proceeds that exceed necessary costs incurred in
6 conducting transfers, auctions, direct sales, or scrapping of state
7 surplus property under section 267 of the management and budget
8 act, 1984 PA 431, MCL 18.1267, are appropriated to the MDTMB to
9 offset any costs incurred in the acquisition and distribution of
10 surplus property. The MDTMB shall provide consolidated internet
11 auction services through this state's contractors for all local
12 units of government.

13 Sec. 803. (1) The MDTMB may receive and expend funds in
14 addition to those authorized by part 1 for maintenance and
15 operation services provided specifically to other principal
16 executive departments or state agencies, the legislative branch,
17 the judicial branch, or private tenants, or provided in connection
18 with facilities transferred to the operational jurisdiction of the
19 MDTMB.

20 (2) The MDTMB may receive and expend funds in addition to
21 those authorized by part 1 for real estate, architectural, design,
22 engineering, and project oversight services provided specifically
23 to other principal executive departments or state agencies, the
24 legislative branch, the judicial branch, universities, community
25 colleges, or private tenants.

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



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

5 (5) Any revenue collected by the MDTMB from user fees under
6 subsections (1) to (4) must be carried forward and does not lapse
7 to the general fund at the close of the fiscal year.

8 Sec. 805. To the extent a specific appropriation is required
9 for a detailed source of financing included in part 1 for the MDTMB
10 appropriations financed from special revenue and internal service
11 and pension trust funds, or SIGMA user charges, the specific
12 amounts are appropriated within the special revenue internal
13 service and pension trust funds in portions not to exceed the
14 aggregate amount appropriated in part 1.

15 Sec. 807. Funding in part 1 for SIGMA must be funded by
16 proportionate charges assessed against the respective state funds
17 benefiting from the SIGMA project in the amounts determined by
18 MDTMB.

19 Sec. 808. (1) A deposit against the IDG from building
20 occupancy and parking charges appropriated in part 1 must be
21 collected, in part, from state agencies, the legislative branch,
22 and the judicial branch based on estimated costs associated with
23 maintenance and operation of buildings managed by MDTMB. To the
24 extent excess revenue is collected due to estimates of building
25 occupancy charges exceeding actual costs, the excess revenue may be
26 carried forward into subsequent fiscal years for the purpose of
27 returning funds to state agencies.

28 (2) An appropriation in part 1 for building occupancy and
29 parking charges may be increased to return excess revenue collected



1 to state agencies.

2 Sec. 809. On a biannual basis, the MDTMB shall submit a report
3 to the standard report recipients on any revisions either
4 individually or in the aggregate that increase or decrease current
5 contracts by more than \$250,000.00 for computer software
6 development, hardware acquisition, or quality assurance.

7 Sec. 810. (1) From the funds appropriated in part 1, the MDTMB
8 shall maintain an internet website that contains notice of all
9 solicitations, invitations for bids, and requests for proposals
10 over \$50,000.00 that are issued by the MDTMB or by any state agency
11 operating under delegated authority, except for solicitations up to
12 \$500,000.00 in accordance with the MDTMB policy regarding providing
13 opportunities to Michigan small businesses, geographically
14 disadvantaged business enterprises, Michigan veteran-owned
15 business, Michigan service disabled veteran-owned businesses, or
16 Michigan recognized community rehabilitation organizations, or if
17 the MDTMB determines and documents that it is in the best interest
18 of this state. This information must appear on the first page of
19 each department or state agency dashboard.

20 (2) The MDTMB shall set the due date for acceptance of an
21 invitation for bid or request for proposal to not less than 14 days
22 after the notice is made available on the internet website
23 described in subsection (1), unless the MDTMB determines and
24 documents that a different due date is in the best interest of this
25 state.

26 (3) In addition to the requirements of this section, the MDTMB
27 may advertise the solicitations, invitations for bids, and requests
28 for proposals in any manner that the MDTMB determines is
29 appropriate to give the greatest number of persons the opportunity



1 to respond or make bids or requests for proposals.

2 (4) A new request for a proposal that is publicly displayed on
3 the internet website must include the proposal's corresponding
4 department or agency. The internet website must allow for the
5 searching of requests for proposals by department or agency.

6 Sec. 811. From the funds appropriated in part 1, the MDTMB
7 shall maintain a system that interfaces with other departments and
8 agencies to track the performance of vendors in fulfilling contract
9 obligations. The performance of these vendors must be recorded and
10 used as a factor to determine future contracts awarded in the
11 procurement process.

12 Sec. 812. Total authorized appropriations from all sources
13 under part 1 for legacy costs for the fiscal year ending September
14 30, 2026 are estimated at \$51,306,300.00. From this amount, total
15 MDTMB appropriations for pension-related legacy costs are estimated
16 at \$46,275,100.00. Total MDTMB appropriations for retiree health
17 care legacy costs are estimated at \$5,031,200.00.

18 Sec. 813. (1) Funds in part 1 for motor vehicle fleet are
19 appropriated to the MDTMB for administration and the acquisition,
20 lease, operation, maintenance, repair, replacement, and disposal of
21 state motor vehicles.

22 (2) The funds described in subsection (1) must be funded by
23 revenue from rates charged to principal executive departments and
24 agencies for utilizing vehicle travel services provided by the
25 MDTMB. Any revenue in excess of the amount appropriated in part 1
26 from the motor transport fund and any unencumbered funds are
27 restricted revenues and may be carried over into the succeeding
28 fiscal year.

29 (3) The MDTMB shall, not later than 90 days after the close of



1 the fiscal year, submit an annual report to the standard report
2 recipients regarding the operation of the motor vehicle fleet. The
3 report must include all of the following:

4 (a) The number of vehicles assigned to, or authorized for use
5 by, state departments and agencies.

6 (b) The number of vehicles in the motor vehicle fleet.

7 (c) The number of miles driven by fleet vehicles.

8 (d) The number of gallons of fuel consumed by fleet vehicles.

9 (e) A description of fleet garage operations.

10 (f) The goods sold and services provided by the fleet garage.

11 (g) The number of employees assigned to each fleet garage.

12 (4) The information provided under subsection (3) may be
13 adjusted during the fiscal year based on needs and cost savings to
14 achieve the maximum value and efficiency from the state motor
15 fleet.

16 (5) The MDTMB may charge state agencies for fuel cost
17 increases that exceed 10% of the budgeted price per gallon of motor
18 vehicle fuels. The MDTMB shall notify state agencies, in writing or
19 by email, not less than 30 days before implementing additional
20 charges for fuel cost increases. Any revenue received from these
21 charges is appropriated on receipt.

22 (6) The state budget director, on notification to the senate
23 and house of representatives standing committees on appropriations,
24 may adjust spending authorization and the IDG from motor transport
25 fund in the MDTMB to ensure that the appropriations for motor
26 vehicle fleet in the MDTMB budget equal the expenditures for motor
27 vehicle fleet in the budgets for all executive branch agencies.

28 Sec. 814. Funds appropriated in part 1 must not be spent for
29 the lease or purchase of electric or hybrid electric vehicles in



1 the state fleet. All leases and purchases of state fleet vehicles
2 must be for vehicles powered exclusively by internal combustion
3 engines.

4 Sec. 815. (1) The legal services fund is created within the
5 state treasury.

6 (2) Funds may be spent from the legal services fund only on
7 appropriation, or legislative transfer pursuant to section 393(2)
8 of the management and budget act, 1984 PA 431, MCL 18.1393

9 (3) Funds in the legal services fund at the close of the
10 fiscal year remain in the legal services fund and do not lapse to
11 the general fund.

12 (4) Subject to subsection (2), funds appropriated in this part
13 for deposit into the legal services fund are available to provide
14 support for major litigation involving the governor and attorney
15 general in their official capacity, and for securing outside legal
16 advice, as identified by the attorney general, on major statewide
17 issues not unique to a single department or agency.

18 (5) The unexpended and unencumbered funds appropriated in 2021
19 PA 87 for legal services funding and carried forward under work
20 project account number 17458, titled "legal services", are
21 appropriated for deposit into the legal services fund created in
22 subsection (1).

23 (6) The MDTMB shall report quarterly to the standard report
24 recipients on legal services fund expenditures. The report must
25 itemize expenditures by case, purpose, and department involved and
26 must include expenditures related to all previously appropriated
27 funds.

28 Sec. 820. The MDTMB shall post on its website and make
29 available to the public a list of all parcels of real property



1 owned by this state that are available for purchase.

2 Sec. 821. (1) From the funds appropriated in part 1, the
3 office of retirement services within the MDTMB shall prepare a
4 report by September 30 on the judges' retirement system, the
5 military retirement system, the Michigan public school employees'
6 retirement system, the state employees' retirement system, and the
7 state police retirement system. The report must be submitted to the
8 standard report recipients.

9 (2) The report must include, but is not limited to, all of the
10 following information for each of the retirement systems described
11 in subsection (1):

12 (a) A chart and table detailing annual required contribution
13 flow per year for fiscal year 2024-2025 and the subsequent 24
14 fiscal years.

15 (b) Separate annual required contribution payment charts and
16 tables for pension and other postemployment benefits.

17 (c) Separate annual required contribution payment charts and
18 tables for the current annualized rate of return, an annualized
19 rate of return 50 basis points less than the current annualized
20 rate of return, and an annualized rate of return 100 basis points
21 less than the current annualized rate of return.

22 (d) Separate annual required contribution payment charts and
23 tables by normal cost and unfunded actuarial accrued liability.

24 (e) A justification if the payroll growth assumption is
25 maintained at or above 0% for any pension or OPEB plan. The report
26 must include an analysis of active employee plan member forecasts.

27 (3) The report must include the following items specific to
28 the Michigan public school employees' retirement system:

29 (a) A copy of the retirement plan election guide that is



1 provided to new Michigan public school employees' retirement system
2 hires as of the due date of the report.

3 (b) The number of new Michigan public school employees'
4 retirement system employees who entered the defined contribution
5 plan and pension plus II plan not later than 14 days after the end
6 of the current fiscal year.

7 (c) An explanation of how the retirement plan election guide
8 explains that pension plus II members must pay 50% of any future
9 unfunded actuarial accrued liability payments.

10 (d) An explanation of how the retirement plan election guide
11 explains that defined contribution plan members have annuity
12 options that allow for guaranteed retirement income available
13 through a private insurance company.

14 (e) If any calculations are provided to plan members for
15 expected retirement income, then the following items must be
16 included:

17 (i) An explanation of how the retirement plan election guide
18 demonstrates a range of potential outcomes.

19 (ii) The underlying assumptions the retirement plan election
20 guide uses to calculate expected future retirement income.

21 (iii) How underlying assumptions are disclosed in the guide.

22 (4) The report must include the amount of money that each
23 school district received, on a per pupil basis, in foundation
24 allowances that was spent on Michigan public school employees'
25 retirement system costs in the immediately preceding fiscal year.

26 (5) The office of retirement services must post the most
27 recent year's comprehensive annual financial report for each plan
28 described in subsection (1) not later than 90 days after the end of
29 the fiscal year.



1 Sec. 822. Not later than January 1, the MDTMB shall submit a
2 report to the standard report recipients related to the salaries of
3 unclassified employees and gubernatorial appointees within all
4 state departments and agencies. The report must enumerate each
5 unclassified employee and gubernatorial appointee and the
6 employee's or appointee's annual salary rounded to the nearest
7 thousand dollars.

8 Sec. 822c. The funds appropriated in part 1 must not be used
9 to support any staff effort, projects, consultant expenses, or any
10 other activity related to the development, financing, construction,
11 operation, or implementation of the Gordie Howe International
12 Crossing or any successor project unless the approval of the
13 project is enacted into law.

14 Sec. 822d. Not later than December 31, the MDTMB shall submit
15 a report to the standard report recipients that includes all of the
16 following:

17 (a) The fee and rate schedules to be used by state departments
18 and agencies for services, including information technology,
19 provided by the MDTMB during the current fiscal year.

20 (b) The changes from fees and rates charged in the immediately
21 preceding fiscal year.

22 (c) An explanation of the factors that justify each fee and
23 rate increase described in subdivision (b).

24 Sec. 822e. (1) In addition to the funds appropriated in part
25 1, the funds collected by the MDTMB for supplying census-related
26 information and technical services, publications, statistical
27 studies, population projections and estimates, and other
28 demographic products are appropriated for all expenses necessary to
29 provide the required services. These funds are available for



1 expenditure when they are received and may be carried forward into
2 the next fiscal year.

3 (2) Not later than March 1, the MDTMB shall submit a report to
4 the standard report recipients that provides the amount of revenue
5 collected by the MDTMB from the authorization in subsection (1) and
6 the amount of revenue carried forward.

7 Sec. 822f. From the funds appropriated in part 1 for business
8 support services, not more than an additional \$200,000.00 may be
9 used to continue a comprehensive supplier risk and information
10 subscription used for the precontract risk assessment program.

11 Sec. 822g. (1) The emergency services contracted providers
12 fund is created within the department of treasury. The MDTMB shall
13 administer the emergency services contracted providers fund.

14 (2) From the unexpended and unencumbered funds appropriated in
15 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 that were
16 designated as work project appropriations, the MDTMB shall work
17 with the state budget director to lapse a total of \$6,000,000.00.
18 The \$6,000,000.00 in work project lapse funds must be made
19 available for expenditure for reimbursement payments to be made to
20 ambulance providers that are in full compliance with section 20921
21 of the public health code, 1978 PA 368, MCL 333.20921, and that can
22 verify they are owed payments by a provider of health care services
23 that had a contract with the MDOC to provide services after
24 December 31, 2022 and before January 1, 2025.

25 (3) Not later than 30 days after the effective date of this
26 act, the MDTMB shall collaborate with the MDOC to develop a grant
27 program to provide monetary awards to ambulance providers for
28 reimbursement of payments owed as described in subsection (2). The
29 MDTMB shall create a grant application that includes, but is not



1 limited to, all of the following:

2 (a) The name of the ambulance provider applying for a grant.

3 (b) The location of the principal office of the ambulance
4 provider.

5 (c) The grant amount sought by the ambulance provider.

6 (d) Documentation supporting the grant amount sought by the
7 ambulance provider.

8 (4) The MDTMB shall publish the grant application developed
9 under subsection (3) on the MDTMB's publicly accessible website
10 immediately upon development.

11 (5) The MDTMB shall accept applications for a period of 30
12 days beginning on the date that the MDTMB publishes the application
13 under subsection (4).

14 (6) The MDTMB shall distribute grant funding not later than 30
15 days after the period described in subsection (5) ends.

16 (7) If a recipient of grant funding under this section
17 receives reimbursement of money owed as described in subsection (2)
18 through a litigation judgment or settlement, the recipient shall
19 pay the money reimbursed to this state.
20

21 **MEMORIALS**

22 Sec. 822k. The MDTMB may receive and expend funds from the
23 Vietnam veterans memorial monument fund in accordance with the
24 Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to
25 35.1057. The funds are appropriated and allocated when received by
26 the MDTMB and may be expended on receipt.

27 Sec. 822l. The Michigan veterans' memorial park commission may
28 receive and expend money from any source, public or private,
29 including, but not limited to, gifts, grants, donations of money,



1 and government appropriations, for the purposes described in
2 Executive Order No. 2001-10. The funds are appropriated and
3 allocated when received by the Michigan veterans' memorial park
4 commission and may be expended on receipt. Any deposit made under
5 this section and any unencumbered funds are restricted revenues and
6 may be carried over into subsequent fiscal years.

7 Sec. 822m. In addition to the funds appropriated in part 1,
8 the MDTMB may receive and expend money from the Michigan law
9 enforcement officers memorial monument fund in accordance with the
10 Michigan law enforcement officers memorial act, 2004 PA 177, MCL
11 28.781 to 28.786. Any deposit made into the fund is restricted
12 revenues and must be carried over into succeeding fiscal years.

13 Sec. 822n. (1) A new request for proposals or other
14 arrangements for the installation of solar energy projects, or the
15 purchase of solar energy through utility voluntary green pricing
16 programs authorized by the Michigan public service commission, for
17 use at state-owned or state-leased facilities may consider the
18 value of the life cycle carbon emissions in the manufacturing of
19 the solar equipment as part of the selection process. Information
20 requested through bidding processes and standards for the
21 independent measurement and verification of life cycle carbon
22 emissions, such as the Global Electronics Council's Electronic
23 Product Environmental Assessment Tool, may be used in the selection
24 process.

25 (2) Not later than June 30, the MDTMB shall submit a report to
26 the standard report recipients on the implementation of this
27 section.

28
29 **INFORMATION TECHNOLOGY**



1 Sec. 824. The MDTMB may enter into agreements to provide
2 spatial information and technical services to other principal
3 executive departments, state agencies, local units of government,
4 and other organizations. The MDTMB may receive and expend funds in
5 addition to those authorized in part 1 for providing information
6 and technical services, publications, maps, and other products. The
7 MDTMB may expend amounts received for salaries, supplies, and
8 equipment necessary to provide informational products and technical
9 services.

10 Sec. 825. (1) The legislature shall have access to all
11 historical and current data contained within SIGMA, or its
12 predecessor, pertaining to state departments and to the judicial
13 branch.

14 (2) State departments shall have access to all historical and
15 current data contained within SIGMA or its predecessor.

16 Sec. 826. As used in this part and part 1, "information
17 technology services" means services that involve all aspects of
18 managing and processing information, including, but not limited to,
19 all of the following:

20 (a) Application and mobile development and maintenance.

21 (b) Desktop computer support and management.

22 (c) Cybersecurity.

23 (d) Social media.

24 (e) Mainframe computer support and management.

25 (f) Cloud services support and management, including, but not
26 limited to, infrastructure as a service, platform as a service, and
27 software as a service.

28 (g) Local area network support and management, including, but
29 not limited to, wired and wireless network build-out, support, and



1 management.

2 (h) Information technology project management.

3 (i) Information technology procurement and contract
4 management.

5 (j) Telecommunication services, security, infrastructure, and
6 support.

7 (k) Server support and management.

8 (l) Information technology planning and budget management.

9 Sec. 827. (1) Funds appropriated in part 1 for the Michigan
10 public safety communications system must be expended on approval of
11 an expenditure plan by the state budget director.

12 (2) The MDTMB shall assess all subscribers of the Michigan
13 public safety communications system reasonable access and
14 maintenance fees and deposit the fees in the Michigan public safety
15 communications systems fees fund.

16 (3) All money received by the MDTMB under this section must be
17 expended for the support and maintenance of the Michigan public
18 safety communications system.

19 (4) Any deposits made under this section and unencumbered
20 funds are restricted revenues and must be carried forward into
21 succeeding fiscal years.

22 (5) The MDTMB shall prepare a report that indicates the amount
23 of revenue collected under this section and expended for support
24 and maintenance of the Michigan public safety communication system
25 for the immediately preceding 6-month period. The report must be
26 submitted to the standard report recipients not later than April
27 15.

28 Sec. 828. Not later than 45 days after the end of the current
29 fiscal year, the MDTMB shall submit a report to the standard report



1 recipients that includes both of the following:

2 (a) The estimated total amount of funding appropriated for
3 information technology services and projects, by funding source,
4 for all principal executive departments and agencies for the
5 immediately preceding fiscal year.

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

8 Sec. 829. The MDTMB shall prepare a report that analyzes and
9 makes recommendations on the life-cycle of information technology
10 hardware and software. The report must be submitted to the standard
11 report recipients not later than March 1.

12 Sec. 830. (1) Any revenue collected from licenses issued under
13 the antenna site management project shall be deposited in the
14 antenna site management revolving fund created for this purpose in
15 the MDTMB. The MDTMB may receive and expend money from the fund for
16 costs associated with the antenna site management project,
17 including the cost of a third-party site manager. Any excess
18 revenue remaining in the fund at the close of the fiscal year must
19 be proportionately transferred to the appropriate state restricted
20 funds as designated in a PA or the state constitution of 1963.

21 (2) An antenna must not be placed on any site under this
22 section without complying with the respective local zoning codes
23 and local unit of government processes.

24 Sec. 831. If the MDTMB provides information technology
25 services to a department or agency directly, the MDTMB shall submit
26 a monthly invoice to the department or agency for the information
27 technology services provided. If the MDTMB provides information
28 technology services to a department or agency through a contracted
29 vendor, the MDTMB shall submit an invoice to the department or



1 agency not later than 45 days after the MDTMB receives approval to
2 pay the vendor invoice.

3 Sec. 832. (1) The MDTMB shall inform the senate and house of
4 representatives appropriations subcommittees on general government
5 and the senate and house fiscal agencies not later than 30 days
6 after learning of the proposal of a potential penalty proposed or
7 the assessment of an actual penalty assessed by the federal
8 government for failure of the Michigan child support enforcement
9 system to achieve certification by the federal government.

10 (2) If a potential penalty is proposed by the federal
11 government, the MDTMB shall submit a report to the standard report
12 recipients not later than 90 days after the date the potential
13 penalty is proposed specifying the MDTMB's plans to avoid the
14 assessment of an actual penalty and ensure federal certification of
15 the Michigan child support enforcement system.

16 Sec. 833. (1) The state budget director, on notification to
17 the standard report recipients and the senate and house of
18 representatives standing committees on appropriations, may adjust
19 spending authorization and user fees in the MDTMB to ensure that
20 the appropriations for information technology in the MDTMB equal
21 the appropriations for information technology in the budgets for
22 all executive branch agencies.

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

29 Sec. 834. (1) The MDTMB shall not contract with a vendor for a



1 commercial-off-the-shelf product if the potential vendor would need
2 to write software code to enable the product to meet the
3 requirements and specifications of the applicable department or
4 agency work procured under the contract and if 1 of the following
5 conditions applies:

6 (a) The contract would involve labor costs that exceed the
7 base price of the commercial-off-the-shelf product, including, but
8 not limited to, licensing and hosting fees.

9 (b) The potential vendor is not able to provide more than 1
10 example of successful implementation of the offered commercial-off-
11 the-shelf product.

12 (2) As used in this section, "commercial-off-the-shelf
13 product" means a software product that is commercially ready-made
14 and available for sale, lease, or license to the general public.

15 Sec. 835. (1) From the funds appropriated in part 1, the MDTMB
16 shall not enter into a contract with a vendor for software
17 development services that has a value greater than \$10,000,000.00
18 or that is effective for a period longer than 3 years except on
19 appropriation or legislative transfer in accordance with section
20 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

21 Sec. 836. (1) From the funds appropriated in part 1 for
22 technology services, the department shall contract for independent
23 verification and validation services for each information
24 technology project that meets either of the following conditions:

25 (a) The project has a contract value that is greater than
26 \$5,000,000.00.

27 (b) The project has a contract value that is greater than
28 \$1,000,000.00 and 1 or more of the following conditions applies:

29 (i) The project spans across more than 1 department or agency.



1 (ii) The project involves multiple vendors.

2 (iii) The project has an accelerated schedule.

3 (iv) The impact is high if the project were to fail or be
4 delayed.

5 (2) A contract for independent verification and validation
6 services must require the independent verification and validation
7 vendor to report on a monthly basis and 2 times each year. In
8 addition to the MDTMB and sponsoring department or agency, all
9 independent verification and validation reporting must be submitted
10 to each technology vendor on the project and to the standard report
11 recipients.

12 Sec. 837. All information technology projects funded by
13 appropriations in part 1 must do both of the following:

14 (a) Use information technology project management best
15 practices and services as defined or recommended by the enterprise
16 portfolio management office of the MDTMB.

17 (b) Comply with the requirements of the state unified
18 information technology environment methodology as it applies to all
19 information technology project management processes.

20 Sec. 840. (1) From the funds appropriated in part 1, the MDTMB
21 shall use the United States General Services Administration's
22 Contract-Awarded Labor Category Tool for calculating expected labor
23 costs for information technology software project contracts before
24 soliciting bids, RFPs, or solutions for those contracts.

25 (2) Each RFP for a contract described in subsection (1) must
26 include a clear statement of objective that is not longer than 5
27 pages and that communicates all essential operational requirements
28 of the contracted service.

29 Sec. 841 (1) From the funds appropriated in part 1 for



1 Michigan state digital service office, the Michigan state digital
2 service office is created within the MDTMB. The Michigan state
3 digital service office shall advise and collaborate with the state
4 central procurement office, the state chief information officer,
5 the enterprise portfolio management office, and other offices under
6 the chief information officer to adopt modern software development
7 strategies and practices for building and deploying technology and
8 digital services. Strategies and practices developed with the
9 Michigan state digital service office must aim to achieve the
10 maximum effect on critical systems and programs. The Michigan state
11 digital service office shall work to foster cultural change in the
12 state technology workforce conducive to implementing the adoption
13 of modern software development strategies and practices.

14 (2) The Michigan state digital service office shall advise and
15 collaborate with leadership of the MDTMB and state departments and
16 agencies to do all of the following:

17 (a) Support adoption of modern software development best
18 practices, including agile development methodologies and open-
19 source practices for the development and deployment of new and
20 existing digital services. Practices must include advocacy of
21 modern software development tools and practices, such as DevSecOps,
22 modular contracting, user-centered design, iterative and
23 incremental development, unified, development infrastructure,
24 service-oriented architecture, open source software, and modern
25 best practices as described in the 13 plays of the Digital Services
26 Playbook published by the United States Digital Service:

27 (i) Understand what people need.

28 (ii) Address the whole experience, from start to finish.

29 (iii) Make it simple and intuitive.



- (iv) Build the service using agile and iterative practices.
- (v) Structure budgets and contracts to support delivery.
- (vi) Assign one leader and hold that person accountable.
- (vii) Bring in experienced teams.
- (viii) Choose a modern technology stack.
- (ix) Deploy in a flexible hosting environment.
- (x) Automate testing and deployments.
- (xi) Manage security and privacy through reusable processes.
- (xii) Use data to drive decisions.
- (xiii) Default to open.

(b) Advise and collaborate with the central procurement office and the MDTMB leadership to study innovative procurement practices to the acquisition of digital products by and for state departments and agencies, to facilitate the rapid provision of high-quality digital services that are based on users' needs and that comply with state best practices and policies regarding data privacy, security, and accessibility.

(c) Review all requests from executive departments and agencies for software development projects to evaluate and advise on the most optimal design and development approach including those that encourage in-house development.

(d) Promote the most effective means for improving digital services based upon quantitative and qualitative assessments of user needs.

(e) Coordinate training for state departments and agencies on effective management and collaboration in software development projects, including, but not limited to, training on the role of product owners. As used in this subdivision, "product owner" means that term as defined in section 233 of this part.



1 (f) Provide oversight, monitoring, and recommendations for
2 information technology activities within state departments and
3 agencies with a cost greater than \$500,000.00 to promote software
4 development practices as described in this section. The cost of the
5 oversight, monitoring, and recommendations must be assessed to the
6 entity requesting the activity.

7 (g) Provide standards for the management, organization, and
8 tracking of information technology activities within state
9 departments and agencies with a cost greater than \$500,000.00.

10 (h) Issue reports to the standard report recipients and chief
11 information officer when a project with a budget greater than
12 \$500,000.00 encounters problems that put the project at risk of
13 exceeding the budget or schedule. The report must detail the reason
14 for the problem and provide recommendations to resolve the problem.

15 (i) Inventory technology assets within state departments and
16 agencies.

17 (3) Nothing in this section should be construed as detracting
18 from the duties and responsibilities of the leadership and staff of
19 the MDTMB.

20 (4) Not later than February 1, the Michigan state digital
21 service office shall submit a report to the standard report
22 recipients on the progress of all of the following:

23 (a) Actions taken to pursue and implement responsibilities
24 provided in this section.

25 (b) The status of progress made toward achieving full adoption
26 of modern software development best practices.

27 (c) Actions recommended to the MDTMB and the status and
28 outcomes of the recommendations.

29 (d) A summary of any actions that resulted in reducing costs



1 to the state and estimates of those savings.

2 (5) The Michigan state digital service office must be led by
3 an executive director. The governor shall appoint the executive
4 director with the advice and consent of the senate majority leader
5 and the speaker of the house. The Michigan state digital service
6 office shall exercise all prescribed statutory powers, duties, and
7 functions of rulemaking and setting of rates charged to departments
8 and agencies independently of the director of the MDTMB.

9 (6) The executive director shall be a full voting member of
10 the information technology investment fund executive governance
11 board.

12 (7) The executive director shall build and commit to a talent
13 strategy that attracts, recruits, compensates, and retains
14 interdisciplinary expertise in technology, strategy, business, and
15 management in order to import world-class digital services into
16 state information technology services and projects.

17
18 **STATE BUILDING AUTHORITY RENT**

19 Sec. 842. (1) Funds appropriated in part 1 for state building
20 authority rent may, in addition to this purpose, be expended for
21 the payment of required premiums for insurance on facilities owned
22 by the state building authority or payment of costs that may be
23 incurred as the result of any deductible provisions in the
24 applicable insurance policies.

25 (2) If the amount appropriated in part 1 for state building
26 authority rent is not sufficient to pay the rent obligations and
27 insurance premiums and deductibles identified in subsection (1) for
28 state building authority projects, there is appropriated from the
29 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



1 available for use beyond the close of the fiscal year, and any
2 unencumbered funds, may be carried over into the next fiscal year.

3
4 **CIVIL SERVICE COMMISSION**

5 Sec. 850. (1) In accordance with section 5 of article XI of
6 the state constitution of 1963, all restricted funds must be
7 assessed a sum not less than 1% of the total aggregate payroll paid
8 from those funds for financing the civil service commission on the
9 basis of actual 1% restricted sources total aggregate payroll of
10 the classified service for the preceding fiscal year. This
11 includes, but is not limited to, restricted funds appropriated in
12 part 1 of any appropriations act. The civil service commission
13 shall return any unexpended funds appropriated under this
14 subsection to each 1% fund source not later than 6 months after the
15 end of the fiscal year.

16 (2) The appropriations in part 1 are estimates of actual
17 charges based on payroll appropriations. With the approval of the
18 state budget director, the civil service commission may adjust
19 financing sources for civil service charges based on actual payroll
20 expenditures, if the adjustments do not increase the total
21 appropriation for the civil service commission.

22 (3) The financing from restricted sources must be credited to
23 the civil service commission by the end of the second fiscal
24 quarter.

25 Sec. 851. Except where specifically appropriated for this
26 purpose, financing from restricted sources must be credited to the
27 civil service commission. For restricted sources of funding within
28 the general fund that have the legislative authority for carryover,
29 if current spending authorization or revenues are insufficient to



1 accept the charge, the shortage must be taken from carryforward
2 balances of that funding source. Restricted revenue sources that do
3 not have carryforward authority must be utilized to satisfy civil
4 service commission operating deductions first and civil service
5 commission obligations second. General fund dollars are
6 appropriated for any shortfall, if approved by the state budget
7 director.

8 Sec. 852. The appropriation in part 1 to the civil service
9 commission, for state-sponsored group insurance, flexible spending
10 accounts, and COBRA, represents amounts, in part, included within
11 the various appropriations throughout state government for the
12 current fiscal year to fund the flexible spending account program
13 included within the civil service commission. Deposits against
14 state-sponsored group insurance, flexible spending accounts, and
15 COBRA for the flexible spending account program must be made from
16 assessments levied during the fiscal year in a manner prescribed by
17 the civil service commission. Unspent employee contributions to the
18 flexible spending accounts may be used to offset administrative
19 costs for the flexible spending account program, and any remaining
20 balance of unspent employee contributions lapses to the general
21 fund.

22 Sec. 853. From the funds appropriated in part 1, the Michigan
23 civil service commission shall continue to work toward completing
24 its review of current employee classifications and educational
25 requirements necessary for employment. On completion of the review,
26 the commission, where possible, shall substitute relevant
27 experience for the default educational requirement of a bachelor's
28 degree.

29



1 **CAPITAL OUTLAY**

2 Sec. 860. As used in sections 861 through 875 of this part:

3 (a) "Board" means the state administrative board created in
4 section 1 of 1921 PA 2, MCL 17.1.

5 (b) "Community college" means a community college organized
6 under the community college act of 1966, 1966 PA 331, MCL 389.1 to
7 389.195, or under part 25 of the revised school code, 1976 PA 451,
8 MCL 380.1601 to 380.1607, and does not include a state agency or
9 university.

10 (c) "Director" means the director of the MDTMB.

11 (d) "State agency" means an agency of state government. State
12 agency does not include a community college or university.

13 (e) "State building authority" means the authority created in
14 section 2 of 1964 PA 183, MCL 830.412.

15 (f) "University" means a 4-year university supported by this
16 state. University does not include a community college or a state
17 agency.

18 Sec. 861. Each capital outlay project authorized in this part
19 and part 1 or any previous capital outlay act shall comply with the
20 procedures required by the management and budget act, 1984 PA 431,
21 MCL 18.1101 to 18.1594.

22 Sec. 862. (1) The MDTMB shall submit a report to the standard
23 report recipients and the JCOS on the status of each planning or
24 construction project financed by the state building authority, this
25 part and part 1, or a previous PA.

26 (2) Before the end of the fiscal year, the MDTMB shall submit
27 a report to the standard report recipients and the JCOS for each
28 capital outlay project other than lump sums that includes all of
29 the following:



1 (a) The account number and name of each construction project.
 2 (b) The balance remaining in each account.
 3 (c) The date of the last expenditure from the account.
 4 (d) The anticipated date of occupancy if the project is under
 5 construction.

6 (e) The appropriations history for the project.
 7 (f) The professional service contractor.
 8 (g) The amount of the project financed with federal funds.
 9 (h) The amount of the project financed through the state
 10 building authority.

11 (i) The total authorized cost for the project and the state
 12 authorized share if different than the total.

13 (3) Before the end of the fiscal year, the MDTMB shall submit
 14 a report to the standard report recipients and the JCOS on all of
 15 the following for each project by a state agency, university, or
 16 community college that is authorized for planning but is not yet
 17 authorized for construction:

18 (a) The name of the project and account number.
 19 (b) Whether a program statement is approved.
 20 (c) Whether schematics are approved by the MDTMB.
 21 (d) Whether preliminary plans are approved by the MDTMB.
 22 (e) The name of the professional service contractor.
 23 (4) As used in this section, "project" includes appropriation
 24 line items made for purchase of real estate.

25 Sec. 863. (1) If the director proposes to rent space or a
 26 facility for which the annual base cost of the proposed rent is
 27 more than \$500,000.00, approval of the joint capital outlay
 28 subcommittee is required before board approval.

29 (2) In emergency situations, written notification to the



1 committee not later than 5 days after executing the agreement is
2 required.

3 (3) The renewal of an existing rental agreement requires the
4 approval of the joint capital outlay subcommittee if the renewal
5 results in changes to the rent that would cause it to meet the
6 requirements described in subsection (1).

7 Sec. 863a. The MDTMB shall work with all state departments and
8 agencies to evaluate their current office building and space usage
9 to identify any projected changes for the current and next fiscal
10 year. The MDTMB shall report the following information to the
11 standard report recipients not later than May 1:

12 (a) Projected changes in state-owned property being utilized
13 by each department and agency for the current and next fiscal year.

14 (b) Projected changes to leased property being utilized by
15 each department and agency for current and next fiscal years.

16 (c) A comparative analysis of 2019 occupancy levels to
17 expected levels for the current and next fiscal year.

18 (d) All of the following information for the immediately
19 preceding fiscal year:

20 (i) A list of expenditures related to space optimization as a
21 result of remote work, including costs associated with divesting
22 state-owned property and vacating leased facilities.

23 (ii) Net savings as a result of property divestment or vacated
24 leased facilities.

25 (iii) A description of each divested property or location of
26 each vacated leased facility.

27 Sec. 864. The appropriations in part 1 for capital outlay must
28 be carried forward at the end of the fiscal year in accordance with
29 section 248 of the management and budget act, 1984 PA 431, MCL



1 18.1248.

2 Sec. 865. (1) A site preparation economic development fund is
3 created in the MDTMB. The MEDC board and the state budget director
4 shall determine whether a specific state-owned site qualifies for
5 inclusion in the site preparation economic development fund.

6 (2) Any proceeds from the sale of an economic development site
7 must be deposited in the site preparation economic development fund
8 and are available for site preparation expenditures, unless
9 otherwise provided by law. The economic development sites are
10 authorized for sale consistent with state law. Expenditures from
11 the site preparation economic development fund are authorized for
12 site preparation activities that enhance the marketable sale value
13 of the economic development sites.

14 (3) A cash advance in an amount of not more than
15 \$25,000,000.00 is authorized from the general fund to the site
16 preparation economic development fund.

17 (4) Not later than December 31, the MDTMB shall submit a
18 report to the standard report recipients and the senate and house
19 of representatives standing committees on appropriations that
20 includes both of the following:

21 (a) The revenue and expenditure activity in the site
22 preparation economic development fund for the immediately preceding
23 fiscal year.

24 (b) The sites identified as economic development sites.

25 (5) As used in this section:

26 (a) "Economic development site" means a state-owned site that
27 is declared as surplus property under section 251 of the management
28 and budget act, 1984 PA 431, MCL 18.1251, and would provide
29 economic benefit to the area of the site or to this state.



1 (b) "Site preparation activities" includes, but is not limited
2 to, demolition, environmental studies and abatement, utility
3 enhancement, and site excavation.
4

5 **CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES**

6 Sec. 873. (1) This section applies only to projects for
7 community colleges.

8 (2) State support is directed towards the remodeling and
9 additions, special maintenance, or construction of certain
10 community college buildings. The community college shall obtain or
11 provide for site acquisition and initial main utility installation
12 to operate the facility. The funding must be composed of local and
13 state shares and not more than 50% of a capital outlay project, not
14 including a lump-sum special maintenance project or remodeling and
15 addition project, for a community college may be appropriated from
16 state and federal funds, unless otherwise appropriated by the
17 legislature.

18 (3) An expenditure under this part and part 1 is authorized
19 when the release of the appropriation is approved by the board on
20 the recommendation of the director. The director may recommend to
21 the board the release of any appropriation in part 1 only after the
22 director is assured that the legal entity operating the community
23 college to which the appropriation is made has complied with this
24 part and part 1 and has matched the amounts appropriated as
25 required by this part and part 1. A release of funds in part 1 must
26 not exceed 50% of the total cost of planning and construction of
27 any project, not including lump-sum remodeling and additions and
28 special maintenance, unless otherwise appropriated by the
29 legislature. Further planning and construction of a project



1 authorized by this part and part 1 or applicable sections of the
2 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594,
3 must be in accordance with the purpose and scope as defined and
4 delineated in the approved program statements and planning
5 documents. This part and part 1 are applicable to all projects for
6 which planning appropriations were made in previous PAs.

7 (4) The community college shall take the steps necessary to
8 secure available federal construction and equipment money for
9 projects funded for construction in this part and part 1 if an
10 application was not previously made. If there is a reasonable
11 expectation that a previous year unfunded application may receive
12 federal money in a subsequent year, the community college shall
13 take whatever action necessary to keep the application active.

14 Sec. 874. If university and community college matching
15 revenues are received in an amount less than the appropriations for
16 capital projects contained in this part and part 1, the state funds
17 must be reduced in proportion to the amount of matching revenue
18 received.

19 Sec. 875. (1) The director may require that community colleges
20 and universities that have an authorized project described in part
21 1 submit documentation regarding the project match and governing
22 board approval of the authorized project not more than 60 days
23 after the beginning of the fiscal year.

24 (2) If the documentation required by the director under
25 subsection (1) is not submitted, or does not adequately
26 authenticate the availability of the project match or governing
27 board approval of the authorized project, the director may
28 terminate the authorization. The authorization terminates 30 days
29 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. (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 information technology investment 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 developed under subsection (2) and the anticipated spending reductions or overages for each proposed information technology investment project. The report must also include both of the following:

(a) A comparison of the initial budgeted amounts and



1 cumulative costs, both by project and in total for all projects.

2 (b) The amount of any transfer of budgeted funds from 1
3 project to another.

4
5 **DEPARTMENT OF TREASURY OPERATIONS**

6 Sec. 901. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$500,000.00 for
8 federal contingency authorization. Amounts appropriated under this
9 subsection are not available for expenditure until they have been
10 transferred to another line item in part 1 under section 393(2) of
11 the management and budget act, 1984 PA 431, MCL 18.1393.

12 (2) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$10,000,000.00 for state
14 restricted contingency authorization. Amounts appropriated under
15 this subsection are not available for expenditure until they have
16 been transferred to another line item in part 1 under section
17 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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



1 Sec. 902. (1) Amounts needed to pay for interest, fees,
2 principal, mandatory and optional redemptions, arbitrage rebates as
3 required by federal law, and costs associated with the payment,
4 registration, trustee services, credit enhancements, and issuing
5 costs in excess of the amount appropriated to the department of
6 treasury in part 1 for debt service on notes and bonds that are
7 issued by this state under sections 14, 15, or 16 of article IX of
8 the state constitution of 1963, as implemented by 1967 PA 266, MCL
9 17.451 to 17.455, are appropriated.

10 (2) In addition to the amount appropriated to the department
11 of treasury for debt service in part 1, there is appropriated an
12 amount for fiscal year cash-flow borrowing costs to pay for
13 interest on interfund borrowing authorized under 1967 PA 55, MCL
14 12.51 to 12.53.

15 (3) In addition to the amount appropriated to the department
16 of treasury for debt service in part 1, all repayments received by
17 this state on loans made from the school bond loan fund that the
18 state treasurer determines are not required to be deposited in the
19 school loan revolving fund under section 4 of 1961 PA 112, MCL
20 388.984, are appropriated to the department of treasury for the
21 payment of debt service, including, but not limited to, optional
22 and mandatory redemptions, on bonds, notes, or commercial paper
23 issued by this state under 1961 PA 112, MCL 388.981 to 388.985.

24 Sec. 902a. As a condition of receiving the appropriations in
25 part 1, not later than 30 days after a refunding or restructuring
26 bond issue is sold, the department of treasury must submit a report
27 to the standard report recipients and the senate and house of
28 representatives standing committees on appropriations. The report
29 must include all of the following:



1 (a) A comparison of the annual debt service before the
2 refinancing or restructuring to the annual debt service after the
3 refinancing or restructuring.

4 (b) The change in the principal and interest over the duration
5 of the debt.

6 (c) The projected change in the present value of the debt
7 service as a result of the refinancing and restructuring.

8 Sec. 902b. As a condition of receiving the appropriations in
9 part 1, not later than 30 days after the state of Michigan
10 comprehensive annual financial report under section 494 of the
11 management and budget act, 1984 PA 431, MCL 18.1494, is published,
12 the department of treasury shall submit a report to the standard
13 report recipients on all funds that are controlled or administered
14 by the department of treasury and not appropriated in part 1. The
15 current and all previous reports prepared as required under this
16 section must be saved and made available on the department of
17 treasury's public website and stored in a common location with all
18 other reports that the department of treasury is required by law to
19 prepare. The link to the location of the reports must be clearly
20 indicated on the main page of the department of treasury's internet
21 website. The report must include all of the following information
22 for each fund for the immediately preceding fiscal year:

23 (a) The starting balance.

24 (b) Total revenue generated by transfers in and investments.

25 (c) Total expenditures.

26 (d) The ending balance.

27 Sec. 903. (1) From the funds appropriated in part 1, the
28 department of treasury may contract with law firms or private
29 collection agencies to collect taxes and other accounts due this



1 state or due a city for which the department of treasury has
2 entered into an agreement to provide tax administration services.
3 In addition to the amounts appropriated in part 1 to the department
4 of treasury, there are appropriated amounts necessary to fund the
5 cost of these collections, including infrastructure costs. The
6 additional amounts appropriated under this subsection must not
7 exceed 25% of the collections or 2.5% plus operating costs, as
8 applicable. Each contract must prescribe the applicable amount. The
9 amounts appropriated to fund collection costs and fees under this
10 subsection are appropriated from the fund or account to which the
11 corresponding taxes and other accounts being collected are recorded
12 or dedicated. However, if the taxes and other accounts collected
13 are dedicated for a specific purpose under the state constitution
14 of 1963, the amounts appropriated under this subsection are
15 appropriated from the general purpose account of the general fund.

16 (2) From the funds appropriated in part 1, the department of
17 treasury may contract with law firms or private collections
18 agencies to collect defaulted student loans and other accounts due
19 the Michigan guaranty agency. In addition to the amounts
20 appropriated in part 1 to the department of treasury, there are
21 appropriated amounts necessary to fund collection costs and fees
22 not to exceed 24.34% of the collection or a lesser amount as
23 prescribed by the contract. The amounts appropriated under this
24 subsection are appropriated from the fund or account to which the
25 revenues being collected are recorded or dedicated.

26 (3) By November 30, the department of treasury shall submit a
27 report to the standard report recipients and the senate and house
28 of representatives standing committees on appropriations. The
29 report must include all of the following information for the



1 immediately preceding fiscal year:

2 (a) The name of each law firm and each private collection
3 agency that the department of treasury contracted with under
4 subsection (1) or (2).

5 (b) The amount collected under each contract.

6 (c) The costs of collection under each contract.

7 (d) Any other information that is pertinent to determining
8 whether the authority described in subsection (1) or (2) should be
9 continued.

10 Sec. 904. (1) The bureau of investments of the department of
11 treasury may charge an investment service fee against the
12 applicable retirement funds. The revenue from the investment
13 service fees charged under this subsection may be expended for
14 necessary salaries, wages, contractual services, supplies,
15 materials, equipment, travel, worker's compensation insurance
16 premiums, and grants to the civil service commission retirement
17 fund and the state employees' retirement fund. If the bureau of
18 investments of the department of treasury charges a total amount of
19 investment service fees under this subsection that is greater than
20 the aggregate amount appropriated in part 1, the bureau of
21 investments of the department of treasury shall periodically repay
22 the surplus revenue to the applicable retirement funds. The
23 department of treasury shall maintain accounting records in
24 sufficient detail to enable repayment under this subsection.

25 (2) In addition to the funds appropriated in part 1 from the
26 retirement funds to the department of treasury, there is
27 appropriated from retirement funds an amount sufficient to pay for
28 the services of money managers, investment advisors, investment
29 consultants, custodians, or other outside professionals that the



1 state treasurer considers necessary to prudently manage the
2 retirement funds' investment portfolios. The state treasurer shall
3 submit an annual report to the standard report recipients and the
4 senate and house of representatives standing committees on
5 appropriations regarding the performance of each portfolio
6 delineated by investment advisor.

7 (3) Not later than November 30, the department of treasury
8 shall submit a report to the standard report recipients that
9 identifies the service fees assessed against each retirement system
10 under subsection (1) and the methodology used for assessment.

11 Sec. 904a. (1) There is appropriated an amount sufficient to
12 recognize and pay expenditures for financial services provided by
13 financial institutions or equivalent vendors that perform these
14 financial services, including the department of treasury, as
15 provided under section 1 of 1861 PA 111, MCL 21.181.

16 (2) The appropriations under subsection (1) must be funded by
17 restricting revenues from common cash interest earnings and
18 investment earnings in an amount sufficient to cover these
19 expenditures. If the amounts of common cash interest earnings are
20 insufficient to cover these expenditures, miscellaneous revenues
21 must be used to fund the remaining balance of these expenditures.

22 Sec. 905. The municipal finance fee fund is created in the
23 department of treasury as a revolving fund. The department of
24 treasury shall deposit the fees that the department of treasury
25 collects under the revised municipal finance act, 2001 PA 34, MCL
26 141.2101 to 141.2821, into the municipal finance fee fund. The
27 money in the fund at the end of the fiscal year may be carried
28 forward for future appropriation.

29 Sec. 906. (1) The department of treasury shall charge for



1 audits as allowed under state or federal law or under a contract
2 between the department of treasury and a local unit of government,
3 other principal executive department, or state agency. However, the
4 department of treasury shall not charge more than the actual cost
5 for performing the audit. Not later than November 30, the
6 department of treasury shall submit a report to the standard report
7 recipients that includes details of the audits performed and audit
8 charges for the immediately preceding fiscal year.

9 (2) The audit charges fund is created in the department of
10 treasury as a revolving fund. The department of treasury shall
11 deposit the contractual charges collected under subsection (1) into
12 the audit charges fund. The money in the fund at the end of the
13 fiscal year may be carried forward for future appropriation.

14 Sec. 907. (1) The department of treasury shall create and
15 operate a property assessor certification and training program. The
16 purpose of the program is to offer courses in assessment
17 administration.

18 (2) The assessor certification and training fund is created in
19 the department of treasury as a revolving fund. The department of
20 treasury shall use the money in the assessor certification and
21 training fund to create and operate the property assessor
22 certification and training program described in subsection (1).

23 (3) Each participant in the program shall pay to the
24 department of treasury an examination fee not to exceed \$50.00 per
25 examination and a certification fee not to exceed \$175.00. In
26 addition, each participant shall pay a fee to cover the expenses
27 incurred in offering the program to certified assessing personnel
28 and other individuals interested in an assessment career
29 opportunity. The department of treasury shall deposit the fees



1 collected under this subsection into the property assessor
2 certification and training program fund.

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

8 Sec. 909. Revenue from the airport parking tax act, 1987 PA
9 248, MCL 207.371 to 207.383, is appropriated and must be
10 distributed in accordance with section 7a of the airport parking
11 tax act, 1987 PA 248, MCL 207.377a.

12 Sec. 910. The disbursement by the department of treasury from
13 the bottle deposit fund to dealers as required by section 3c(3) of
14 1976 IL 1, MCL 445.573c, is appropriated.

15 Sec. 911. (1) There is appropriated an amount sufficient to
16 recognize and pay refundable tax credits, tax refunds, and interest
17 as provided by law.

18 (2) The appropriations under subsection (1) must be funded by
19 restricting tax revenue in an amount sufficient to cover these
20 expenditures.

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

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

27 (b) A fee of \$6.00 at the time any other writ of garnishment
28 is served on the state treasurer. However, the fee must be reduced
29 to \$5.00 for each writ of garnishment for individual income tax



1 refunds or credits that is filed electronically.

2 Sec. 913. (1) The department of treasury may contract with
3 private firms to appraise and, if necessary, appeal the assessments
4 of senior citizen cooperative housing units. Payment for this
5 service must be made from the savings that result from the
6 appraisal or appeal process being conducted by private firms.

7 (2) The department of treasury may use a portion of the funds
8 appropriated in part 1 for the senior citizen cooperative housing
9 tax exemption program for an audit of the program. The department
10 of treasury shall submit copies of any completed audit report to
11 the standard report recipients. The department of treasury may use
12 not more than 1% of the funds for administering and auditing the
13 program.

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

19 Sec. 915. As required under section 61 of the Michigan
20 campaign finance act, 1976 PA 388, MCL 169.261, there is
21 appropriated from the general fund to the state campaign fund an
22 amount equal to the amounts designated for the 2023 tax year.
23 Except as otherwise provided in this section, the amount
24 appropriated does not revert to the general fund and remains in the
25 state campaign fund. Any amount that remains in the state campaign
26 fund in excess of \$10,000,000.00 on December 31 reverts to the
27 general fund.

28 Sec. 916. (1) The department of treasury may make available to
29 an interested entity a customized list of otherwise unavailable



1 nonconfidential information regarding unclaimed property that is in
2 the department of treasury's possession. The department of treasury
3 shall charge for this information as follows:

4 (a) For 1 to 100,000 records, 2.5 cents per record.

5 (b) For 100,001 or more records, 0.5 cents per record.

6 (2) The revenue received under subsection (1) must be
7 deposited in the revenue account or fund that is associated with
8 the applicable unclaimed property.

9 (3) Not later than June 1, the department of treasury shall
10 submit a report to the standard report recipients and the senate
11 and house of representatives standing committees on appropriations
12 that states the amount of revenue received from the sale of the
13 information under this section.

14 Sec. 917. (1) There is appropriated for write-offs and
15 advances an amount equal to total write-offs and advances for
16 departmental programs. The amount appropriated under this
17 subsection must not exceed current year authorizations that would
18 otherwise lapse to the general fund.

19 (2) Not later than November 30, the department of treasury
20 shall submit a report to the standard report recipients. The report
21 must include all of the following information for the immediately
22 preceding fiscal year:

23 (a) The amounts appropriated for write-offs and advances under
24 subsection (1).

25 (b) An explanation for each write-off or advance under
26 subsection (1).

27 Sec. 919. (1) From the funds appropriated in part 1, the
28 department of treasury may contract with private auditing firms to
29 audit for and collect unclaimed property due this state in



1 accordance with the uniform unclaimed property act, 1995 PA 29, MCL
2 567.221 to 567.265. In addition to the amounts appropriated in part
3 1 to the department of treasury, there are appropriated amounts
4 necessary to fund auditing and collection costs and fees not to
5 exceed 12% of the collections or a lesser amount as prescribed by
6 the applicable contract. The appropriation to fund collection costs
7 and fees for the auditing and collection of unclaimed property due
8 this state is from the fund or account to which the revenues being
9 collected are recorded or dedicated.

10 (2) Not later than November 30, the department of treasury
11 shall submit a report to the standard report recipients and the
12 senate and house of representatives standing committees on
13 appropriations. The report must include all of the following
14 information for the immediately preceding fiscal year:

15 (a) The name of each auditing firm that the department of
16 treasury contracted with under subsection (1).

17 (b) The amount collected by each of the auditing firms.

18 (c) The costs of collection.

19 (d) Any other information that is pertinent to determining
20 whether the authority under subsection (1) should be continued.

21 Sec. 920. Not later than June 30, from the funds appropriated
22 in part 1, the department of treasury shall do both of the
23 following:

24 (a) Produce a list of all personal property tax reimbursement
25 payments to be distributed in the current fiscal year by the local
26 community stabilization authority.

27 (b) Post the list produced under subdivision (a) on the
28 department of treasury's public website.

29 Sec. 921. From the funds appropriated in part 1, the



1 department of treasury shall, for each revenue administrative
2 bulletin, administrative rule that involves tax administration or
3 collection, and notice interpreting a change in law, submit a
4 notification to every member of the legislature. The department of
5 treasury shall submit the notification not later than 3 days after
6 the department of treasury posts the notification. Each
7 notification must include all of the following:

8 (a) A summary of the proposed changes from current procedures.

9 (b) Identification of industries that will or might be
10 affected by the bulletin, rule, or notice.

11 (c) A statement of the potential fiscal implications of the
12 bulletin, rule, or notice. This subdivision does not apply to a
13 bulletin, rule, or notice that is a routine update of a tax or
14 interest rate required by statute.

15 (d) A summary of the reason for the proposed change.

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

21 (2) Not later than December 31, the department of treasury
22 shall submit a report to the standard report recipients that
23 includes the amount of exemptions denied and the revenue received
24 under the program described in subsection (1) for the immediately
25 preceding fiscal year.

26 Sec. 927. The department of treasury shall submit a progress
27 report regarding essential service assessment audits to the
28 standard report recipients. The report must include all of the
29 following:



1 (a) The number of audits.

2 (b) The revenue generated from the audits.

3 (c) The number of complaints received by the department of
4 treasury related to the audits.

5 Sec. 928. The department of treasury may provide receipt,
6 check and cash processing, data, collection, investment, fiscal
7 agent, levy and check cost assessment, writ of garnishment, and
8 other user services on a contractual basis for other principal
9 executive departments and state agencies. Funds for the services
10 provided are appropriated and must be expended for salaries, wages,
11 fees, supplies, and equipment necessary to provide the services.
12 Money in the fund that is unobligated at the end of the fiscal year
13 lapses to the general fund.

14 Sec. 930. (1) The department of treasury shall provide
15 accounts receivable collections services to other principal
16 executive departments and state agencies in accordance with 1927 PA
17 375, MCL 14.131 to 14.134, or to a city with which the department
18 of treasury has contracted to provide tax administration services.
19 The department of treasury shall deduct a fee equal to the cost of
20 collections from all receipts except for unrestricted general fund
21 collections. Fees must be credited to a restricted revenue account
22 and are appropriated to the department of treasury to pay for the
23 cost of collections. If the department of treasury deducts fees
24 under this subsection that total an amount that is greater than the
25 actual cost of the collections, the department of treasury shall
26 periodically repay the surplus to the respective account. The
27 department of treasury shall maintain accounting records in
28 sufficient detail to enable repayment under this subsection.

29 (2) Not later than November 30, the department of treasury



1 shall submit a report to the standard report recipients that
2 includes the following information regarding subsection (1) for the
3 immediately preceding fiscal year:

4 (a) The principal executive departments and state agencies
5 served.

6 (b) The funds collected.

7 (c) The costs of collection.

8 Sec. 931. (1) Except as otherwise provided in this subsection,
9 the appropriation in part 1 to the department of treasury for
10 treasury fees must be assessed against all restricted funds that
11 receive common cash earnings or other investment income. This
12 subsection does not apply to federal or state restricted funds that
13 are temporary in nature or otherwise do not qualify to be assessed
14 treasury fees. The fee assessed against each restricted fund must
15 be based on the size of the restricted fund, calculated as the
16 absolute value of the average daily cash balance plus the market
17 value of investments in the immediately preceding fiscal year, and
18 the level of resources necessary to maintain the restricted fund as
19 required by each department. Not later than November 30, the
20 department of treasury shall submit a report to the standard report
21 recipients that identifies the fees assessed against each
22 restricted fund and the methodology used for the assessment.

23 (2) In addition to the funds appropriated in part 1, the
24 department of treasury may receive and expend investment fees that
25 are related to new restricted funding sources that participate in
26 common cash earnings or other investment income during the current
27 fiscal year.

28 (3) As used in this section, "treasury fees" includes all
29 costs, including administrative overhead, that are related to the



1 investment of a restricted fund.

2 Sec. 932. The board of directors of the Michigan education
3 trust may expend revenue received under the Michigan education
4 trust act, 1986 PA 316, MCL 390.1421 to 390.1442, for necessary
5 salaries, wages, supplies, contractual services, equipment,
6 worker's compensation insurance premiums, and grants to the civil
7 service commission retirement fund and the state employees'
8 retirement fund.

9 Sec. 934. (1) The department of treasury may expend revenues
10 received under the hospital finance authority act, 1969 PA 38, MCL
11 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL
12 141.1051 to 141.1076, the higher education facilities authority
13 act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public
14 educational facilities authority, Executive Reorganization Order
15 No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance
16 authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank
17 fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of
18 the natural resources and environmental protection act, 1994 PA
19 451, MCL 324.50501 to 324.50522, the state housing development
20 authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and
21 the MFA, Executive Reorganization Order No. 2010-2, MCL 12.194, for
22 necessary salaries, wages, supplies, contractual services,
23 equipment, worker's compensation insurance premiums, grants to the
24 civil service commission retirement fund and the state employees'
25 retirement fund, and other expenses as allowed under those acts or
26 executive reorganization orders.

27 (2) Not later than January 31, the department of treasury
28 shall submit a report to the standard report recipients that
29 includes both of the following for the immediately preceding fiscal



1 year:

2 (a) The amount and purpose of expenditures of \$250,000.00 or
3 more that are made under subsection (1) from funds received by the
4 department of treasury that are in addition to those appropriated
5 in part 1.

6 (b) A list of reimbursement of revenue, if any.

7 Sec. 935. The position of student loan ombudsman is created in
8 the department of treasury's advocacy services team. The student
9 loan ombudsman serves as an advocate for borrowers and shall work
10 with the financial resource navigator within the department of
11 lifelong learning and potential to provide technical assistance to
12 individuals taking out or paying off student loans.

13 Sec. 936. Revenue collected in the state forensic laboratory
14 fund is appropriated and shall be distributed in accordance with
15 section 7 of the forensic laboratory funding act, 1994 PA 35, MCL
16 12.207.

17 Sec. 937. As a condition of receiving funds in part 1, not
18 later than March 31, the department of treasury shall submit a
19 report to the standard report recipients and the senate and house
20 standing committees on appropriations regarding the performance of
21 the Michigan accounts receivable collections system. The report
22 must include all of the following:

23 (a) Information regarding the effectiveness of the department
24 of treasury's current collection strategies, including the use of
25 vendors or contractors.

26 (b) The amount of delinquent accounts and collection referrals
27 to vendors and contractors.

28 (c) The liquidation rates for declining delinquent accounts.

29 (d) The profile of uncollected delinquent accounts, including



1 specific uncollected amounts by category.

2 (e) The department of treasury's strategy to manage delinquent
3 accounts when those accounts exceed the vendor's or contractor's
4 contracted collectible period.

5 (f) A summary of the strategies used in other states,
6 including, but not limited to, secondary placement services, and
7 assessing the benefits of those strategies.

8 Sec. 938. Revenue collected in the qualified heavy equipment
9 rental personal property exemption reimbursement fund is
10 appropriated and must be distributed in accordance with section 9
11 of the qualified heavy equipment rental personal property specific
12 tax act, 2022 PA 35, MCL 211.1129.

13 Sec. 939. Revenue deposited in the local government
14 reimbursement fund is appropriated and must be distributed in
15 accordance with section 3a of the Michigan trust fund act, 2000 PA
16 489, MCL 12.253a.

17 Sec. 940. (1) The election administration support fund is
18 created in the state treasury.

19 (2) Any unexpended funds in the election administration
20 support fund must be carried forward and are available for
21 expenditure under this section.

22 (3) Funds may be spent from the election administration
23 support fund only on appropriation, or legislative transfer
24 pursuant to section 393(2) of the management and budget act, 1984
25 PA 431, MCL 18.1393.

26 (4) The state treasurer may receive money or other assets from
27 any source for deposit in the election administration support fund.
28 The state treasurer shall direct the investment of the election
29 administration support fund. The state treasurer shall credit to



1 the election administration support fund interest and earnings from
2 the election administration support fund.

3 (5) Funds in the election administration support fund at the
4 close of the fiscal year remain in the election administration
5 support fund and do not lapse to the general fund.

6 (6) Funds appropriated in part 1 for election administration
7 support fund must be deposited in the election administration
8 support fund.

9 Sec. 941. (1) Not later than November 1, from the funds
10 appropriated in part 1, the department of treasury, in conjunction
11 with the MSF, shall submit a report to the standard report
12 recipients and the senate and house of representatives standing
13 committees on appropriations on the annual cost of the MEGA tax
14 credits. The report must include, for each year from 1995 to the
15 expiration of the MEGA tax credit program, the board-approved
16 credit amount, adjusted for credit amendments if applicable, and
17 the actual and projected value of tax credits. For years for which
18 credit claims are complete, the report must include the total of
19 actual certificated credit amounts. For years for which claims are
20 still pending or not yet submitted, the report must include a
21 combination of actual credits if available and projected credits.
22 Credit projections must be based on updated estimates of employees,
23 wages, and benefits for eligible companies.

24 (2) In addition to the report under subsection (1), not later
25 than November 1, the department of treasury, in conjunction with
26 the MSF, shall submit a report to the standard report recipients
27 and the senate and house of representatives standing committees on
28 appropriations on the annual cost of all other certificated credits
29 by program for each year until the credits expire or can no longer



1 be collected. The report must include estimates on the brownfield
2 redevelopment credit, film credits, MEGA photovoltaic technology
3 credit, MEGA polycrystalline silicon manufacturing credit, MEGA
4 vehicle battery credit, and other certificated credits.

5 Sec. 942. Not later than February 1, the department of
6 treasury shall submit a report to the standard report recipients on
7 all funding allocated to counties, cities, and townships from the
8 funds appropriated in part 1 for election administration and
9 services. The report must include the amount and purpose of each
10 payment provided to a county, city, or township.

11 Sec. 944. From the funds appropriated in part 1, if the
12 department of treasury hires a pension plan consultant using any of
13 the funds appropriated in part 1, the department of treasury shall
14 do all of the following:

15 (a) Retain each report provided to the department of treasury
16 by that consultant.

17 (b) Notify the standard report recipients that the department
18 of treasury has hired a pension plan consultant, including the
19 reason why the department of treasury hired the pension plan
20 consultant.

21 (c) Make a report described in subdivision (a) available to a
22 standard report recipient if requested by the standard report
23 recipient.

24 Sec. 945. From the funds appropriated in part 1, audits of
25 local unit assessment administration practices, procedures, and
26 records must be conducted in each assessment jurisdiction a minimum
27 of 1 time every 5 years and in accordance with section 10g of the
28 general property tax act, 1893 PA 206, MCL 211.10g.

29 Sec. 946. Revenue collected in the convention facility



1 development fund is appropriated and must be distributed in
2 accordance with sections 8, 9, and 10 of the state convention
3 facility development act, 1985 PA 106, MCL 207.628, 207.629, and
4 207.630.

5 Sec. 947. It is the intent of the legislature that financial
6 independence teams cooperate with the financial responsibility
7 section to coordinate and streamline efforts in identifying and
8 addressing fiscal emergencies in school districts and intermediate
9 school districts.

10 Sec. 948. Total authorized appropriations from all sources
11 under part 1 for legacy costs for the fiscal year ending September
12 30, 2026 are estimated at \$26,473,600.00. From this amount, total
13 department of treasury appropriations for pension-related legacy
14 costs are estimated at \$23,877,500.00. Total department of treasury
15 appropriations for retiree health care legacy costs are estimated
16 at \$2,596,100.00.

17 Sec. 949. (1) From the funds appropriated in part 1, the
18 department of treasury may contract with private agencies to
19 prevent the disbursement of fraudulent tax refunds. In addition to
20 the amounts appropriated in part 1 to the department of treasury,
21 there are appropriated amounts necessary to pay the costs of the
22 contracts or to fund operations designed to reduce fraudulent
23 income tax refund payments. The additional amount appropriated
24 under this subsection must not be greater than \$2,000,000.00. The
25 appropriation to fund fraud prevention efforts under this
26 subsection is from the fund or account to which the revenues being
27 collected are recorded or dedicated.

28 (2) Not later than November 30, the department of treasury
29 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



1 tax credits from the Michigan's farmland and open space
2 preservation program created under section 36109 of the natural
3 resources and environmental protection act, 1994 PA 451, MCL
4 324.36109, for the Michigan's farmland and open space preservation
5 program under parts 361 and 362 of the natural resources and
6 environmental protection act, 1994 PA 451, MCL 324.36101 to
7 324.36116 and 324.36201 to 324.36207, including, but not limited
8 to, all of the following:

9 (a) Timely review of mailed applications and paperwork.

10 (b) Timely and proactive communications to applicants
11 regarding the status of the applicant's application.

12 (c) A clear and understood timeline for the issuance of any
13 tax credits.

14 Sec. 949d. (1) From the funds appropriated in part 1 for
15 financial review commission, the department of treasury shall
16 continue financial review commission efforts in the current fiscal
17 year. The purpose of the funding is to cover ongoing costs
18 associated with the operation of the commission.

19 (2) The department of treasury shall identify specific
20 outcomes and performance measures for this initiative, including,
21 but not limited to, the department of treasury's ability to perform
22 a critical fiscal review to ensure the city of Detroit does not
23 reenter distress following its exit from bankruptcy and to ensure
24 that the community district does not enter distress and maintains a
25 balanced budget.

26 (3) Not later than March 15, the department of treasury shall
27 submit a report to the standard report recipients that includes
28 both of the following:

29 (a) A description of the specific outcomes and measures



1 required in subsection (1).

2 (b) The results and data related to these outcomes and
3 measures.

4 Sec. 949e. From the funds appropriated in part 1 for the state
5 essential services assessment program, the department of treasury
6 shall administer the state essential services assessment program.
7 The purpose of the program is to provide a phased-in replacement of
8 locally collected personal property taxes on eligible manufacturing
9 personal property. The program must provide the department of
10 treasury with the ability to collect the state essential services
11 assessment.

12 Sec. 949f. Revenue from the tobacco products tax act, 1993 PA
13 327, MCL 205.421 to 205.436, related to counties with a population
14 of more than 2,000,000 according to the 2000 federal decennial
15 census is appropriated and must be distributed in accordance with
16 section 12(2)(e) of the tobacco products tax act, 1993 PA 327, MCL
17 205.432.

18 Sec. 949h. Revenue from part 6 of the medical marihuana
19 facilities licensing act, 2016 PA 281, MCL 333.27601 to 333.27605,
20 is appropriated and must be distributed in accordance with part 6
21 of the medical marihuana facilities licensing act, 2016 PA 281, MCL
22 333.27601 to 333.27605.

23 Sec. 949i. Revenue from the Michigan Regulation and Taxation
24 of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, is
25 appropriated and must be distributed in accordance with the
26 Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL
27 333.27951 to 333.27967.

28 Sec. 949j. All funds in the wrongful imprisonment compensation
29 fund created in the wrongful imprisonment compensation act, 2016 PA



1 343, MCL 691.1751 to 691.1757, are appropriated and available for
2 expenditure. Expenditures are limited to support wrongful
3 imprisonment compensation payments under section 6 of the wrongful
4 imprisonment compensation act, 2016 PA 343, MCL 691.1756.

5 Sec. 949k. There is appropriated an amount equal to the tax
6 captured revenues due under approved transformational brownfield
7 plans created under the brownfield redevelopment financing act,
8 1996 PA 381, MCL 125.2651 to 125.2670.

9 Sec. 949m. From the funds appropriated in part 1, the Michigan
10 infrastructure council shall plan, conduct, and contract for asset
11 management improvement activities, including, but not limited to,
12 any of the following:

13 (a) Infrastructure data collection activities.

14 (b) Asset manager training.

15 (c) Development of a 30-year asset management plan for this
16 state.

17 (d) Assistance in asset management improvement projects,
18 including maintaining an asset management portal.

19 (e) Any other projects that promote improved asset management
20 for infrastructure in this state.

21 Sec. 949n. In addition to the funds appropriated in part 1,
22 the money in the fostering futures scholarship trust fund,
23 including any money received as gifts or donations to the fostering
24 futures scholarship trust fund, is appropriated and the department
25 of treasury may issue payments in compliance with the fostering
26 futures scholarship trust fund act, 2008 PA 525, MCL 722.1021 to
27 722.1031.

28
29 **REVENUE SHARING**



1 Sec. 950. The department of treasury shall distribute the
2 funds appropriated in part 1 for constitutional revenue sharing to
3 cities, villages, and townships, as required under section 10 of
4 article IX of the state constitution of 1963. Revenue collected in
5 accordance with section 10 of article IX of the state constitution
6 of 1963 in excess of the amount appropriated in part 1 for
7 constitutional revenue sharing is appropriated for distribution to
8 cities, villages, and townships, on a population basis as required
9 under section 10 of article IX of the state constitution of 1963.

10 Sec. 952. (1) The funds appropriated in part 1 for city,
11 village, and township revenue sharing are for grants to cities,
12 villages, and townships and must be distributed as provided in this
13 section.

14 (2) Each city, village, or township shall receive an amount
15 equal to 98.13082% of the revenue sharing payment for which the
16 city, village, or township would have been eligible to receive
17 under section 952(2) of article 5 of 2024 PA 121, rounded to the
18 nearest dollar.

19 (3) For purposes of this section, any city, village, or
20 township that completely merges with another city, village, or
21 township must be treated as a single entity, so that when
22 determining the eligible city, village, and township revenue
23 sharing payment under section 952(2) of article 5 of 2024 PA 121
24 for the combined single entity, the city, village, and township
25 revenue sharing amount that each of the merging local units of
26 government was eligible to receive under section 952 of article 5
27 of 2024 PA 121 is summed.

28 Sec. 954. (1) Cities, villages, and townships receiving a
29 payment under section 952(2) and counties receiving a payment under



1 section 955(2) shall receive 1/6 of their total payment on the last
 2 business day of October, December, February, April, June, and
 3 August.

4 (2) Payments distributed under section 952 or section 955 may
 5 be withheld in accordance with sections 17a and 21 of the Glenn
 6 Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a
 7 and 141.921.

8 Sec. 955. (1) The funds appropriated in part 1 for county
 9 revenue sharing are for grants to counties and must be distributed
 10 as provided in this section.

11 (2) Each county shall receive an amount equal to 98.13437% of
 12 the revenue sharing payment for which the county would have been
 13 eligible to receive under section 955(2) of article 5 of 2024 PA
 14 121, rounded to the nearest dollar.

15 Sec. 957. A term that is defined in the Glenn Steil state
 16 revenue sharing act, 1971 PA 140, MCL 141.901 to 141.921, has the
 17 same meaning when used in sections 950 to 956.

18 Sec. 959. Revenue collected in the public safety and violence
 19 prevention fund created in section 11a of the Michigan trust fund
 20 act, 2000 PA 489, MCL 12.261a, is appropriated and must be
 21 distributed in accordance with section 11b of the Michigan trust
 22 fund act, 2000 PA 489, MCL 12.261b. Revenue appropriated under this
 23 section must not be spent or otherwise distributed unless all of
 24 the following bills of the 103rd Legislature are enacted into law:

25 (a) House Bill No. 4260.

26 (b) House Bill No. 4261.

27
 28 **BUREAU OF STATE LOTTERY**

29 Sec. 960. In addition to the funds appropriated in part 1 to



1 the bureau of state lottery, there is appropriated from state
2 lottery fund revenues the amount necessary for, and directly
3 related to, implementing and operating lottery games under the
4 McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL
5 432.1 to 432.47, and activities under the Traxler-McCauley-Law-
6 Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152, including
7 expenditures for contractually mandated payments for vendor
8 commissions, contractually mandated payments for instant tickets
9 intended for resale, the contractual costs of providing and
10 maintaining the online system communications network, and incentive
11 and bonus payments to lottery retailers.

12 Sec. 964. For the bureau of state lottery, there is
13 appropriated 1% of the lottery's immediately preceding fiscal
14 year's gross sales for promotion and advertising.

15
16 **MICHIGAN GAMING CONTROL BOARD**

17 Sec. 970. As used in sections 971 to 979:

18 (a) "Compulsive gaming prevention fund" means the compulsive
19 gaming prevention fund created in section 3 of the compulsive
20 gaming prevention act, 1997 PA 70, MCL 432.253.

21 (b) "Fantasy contest fund" means the fantasy contest fund
22 created in section 16 of the fantasy contests consumer protection
23 act, 2019 PA 157, MCL 432.516.

24 (c) "First responder presumed coverage fund" means the first
25 responder presumed coverage fund created in section 405 of the
26 worker's disability compensation act of 1969, 1969 PA 317, MCL
27 418.405.

28 (d) "Internet gaming fund" means the internet gaming fund
29 created in section 16 of the lawful internet gaming act, 2019 PA



1 152, MCL 432.316.

2 (e) "Internet sports betting fund" means the internet sports
3 betting fund created in section 16 of the lawful sports betting
4 act, 2019 PA 149, MCL 432.416.

5 Sec. 971. (1) From the revenue collected by the Michigan
6 gaming control board from the total annual assessment of each
7 casino licensee, funds are appropriated and must be distributed as
8 described in section 12a(5) of the Michigan Gaming Control and
9 Revenue Act, 1996 IL 1, MCL 432.212a.

10 (2) The revenue collected in the internet sports betting fund
11 is appropriated and shall be distributed according to the lawful
12 sports betting act, 2019 PA 149, MCL 432.401 to 432.419.

13 (3) The revenue collected in the internet gaming fund is
14 appropriated and must be distributed according to the lawful
15 internet gaming act, 2019 PA 152, MCL 432.301 to 432.322, and the
16 Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to
17 432.152.

18 Sec. 972. After all other required expenditures described in
19 section 16(3) of the fantasy contests consumer protection act, 2019
20 PA 157, MCL 432.516, section 16(4) of the lawful internet gaming
21 act, 2019 PA 152, MCL 432.316, and section 16(4) of the lawful
22 sports betting act, 2019 PA 149, MCL 432.416 are made, any money
23 remaining in the fantasy contest fund, internet gaming fund, and
24 internet sports betting fund is appropriated and must be deposited
25 in the state school aid fund as described in section 16(3)(b) of
26 the fantasy contests consumer protection act, 2019 PA 157, MCL
27 432.516, section 16(4) of the lawful internet gaming act, 2019 PA
28 152, MCL 432.316, and section 16(4) of the lawful sports betting
29 act, 2019 PA 149, MCL 432.416.



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

5 (2) A local revenue sharing board described in subsection (1)
6 shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to
7 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231
8 to 15.246.

9 (3) A county treasurer may receive and administer funds on
10 behalf of a local revenue sharing board. Funds appropriated in part
11 1 for local government programs may be used to audit local revenue
12 sharing board funds held by a county treasurer. This section does
13 not limit the ability of local units of government to enter into
14 agreements with federally recognized Indian tribes to provide
15 financial assistance to local units of government or to jointly
16 provide public services.

17 (4) A local revenue sharing board described in subsection (1)
18 shall comply with all applicable provisions of any agreement
19 authorized by the Indian gaming regulatory act, Public Law 100-497,
20 in which the local revenue sharing board is referenced, including,
21 but not limited to, the disbursement of tribal casino payments
22 received in accordance with applicable provisions of the tribal-
23 state class III gaming compact under which those funds are
24 received.

25 (5) The director of the MDSP and the executive director of the
26 Michigan gaming control board may assist the local revenue sharing
27 boards in determining allocations to be made to local public safety
28 organizations.

29 (6) Not later than September 30, the Michigan gaming control



1 board shall submit a report to the standard report recipients and
2 the senate and house of representatives standing committees on
3 appropriations on the receipts and distribution of revenues by
4 local revenue sharing boards.

5 Sec. 974. If revenues collected in the state services fee fund
6 created in section 12a of the Michigan Gaming Control and Revenue
7 Act, 1996 IL 1, MCL 432.212a, are less than the amounts
8 appropriated from the state services fee fund, available revenues
9 must be used to fully fund the appropriation in part 1 for casino
10 gaming regulation activities before distributions are made to other
11 state departments and agencies. If the remaining revenue in the
12 state services fee fund is insufficient to fully fund
13 appropriations to other state departments or agencies, the
14 shortfall must be distributed proportionally among those
15 departments and agencies.

16 Sec. 975. In expending the funds appropriated in part 1 for
17 advertising for responsible gaming, the Michigan gaming control
18 board shall engage with MDHHS on strategies to support addiction
19 prevention and education efforts in addition to advertising for
20 responsible gaming. Not later than September 1, the Michigan gaming
21 control board shall submit a report to the standard report
22 recipients on the expenditures and programming funded from the
23 appropriations in part 1 for advertising for responsible gaming.

24 Sec. 976. The executive director of the Michigan gaming
25 control board may pay rewards of not more than \$5,000.00 to a
26 person who provides information that results in the arrest and
27 conviction on a felony or misdemeanor charge for a crime that
28 involves the horse racing industry. A reward paid under this
29 section must be paid out of the appropriation in part 1 for the



1 racing commission.

2 Sec. 977. All appropriations from the equine industry
3 development fund created in section 20 of the horse racing law of
4 1995, 1995 PA 279, MCL 431.320, except for the racing commission
5 appropriations, must be reduced proportionately if revenues to the
6 equine industry development fund decline during the current fiscal
7 year to a level lower than the amount appropriated in part 1.

8 Sec. 978. The Michigan gaming control board shall use actual
9 expenditure data in determining the actual regulatory costs of
10 conducting racing dates and shall submit a report of that data to
11 the standard report recipients and the senate and house of
12 representatives appropriations subcommittees on agriculture. The
13 Michigan gaming control board may not be reimbursed for more than
14 the actual regulatory cost of conducting race dates. In determining
15 actual costs, the Michigan gaming control board shall take into
16 account that each specific breed of horse may require different
17 regulatory mechanisms.

18 Sec. 979. From the funds appropriated in part 1 for
19 millionaire party regulation, the Michigan gaming control board may
20 receive and expend internet gaming fund revenue in an amount that
21 is not more than the amount appropriated in part 1 for necessary
22 expenses incurred in the licensing and regulation of millionaire
23 parties under article 2 of the Traxler-McCauley-Law-Bowman bingo
24 act, 1972 PA 382, MCL 432.132 to 432.152. Any unused internet
25 gaming fund revenues are subject to the distribution requirements
26 in section 16 of the lawful internet gaming act, 2019 PA 152, MCL
27 432.316. Not later than March 1, the Michigan gaming control board
28 shall submit a report to the standard report recipients that
29 includes all of the following:



1 (a) The total expenditures related to the licensing and
2 regulating of millionaire parties.

3 (b) The steps taken to ensure charities are receiving revenue
4 due to them.

5 (c) A description of the progress on promulgating rules to
6 ensure compliance with the Traxler-McCauley-Law-Bowman bingo act,
7 1972 PA 382, MCL 432.101 to 432.152.

8 (d) Any enforcement actions taken.
9

10 **ONE-TIME APPROPRIATIONS**

11 Sec. 990. (1) From the funds appropriated in part 1 for local
12 prosecutor support grants, the department of treasury shall award
13 grants to eligible county prosecutor offices to reduce the average
14 active and backlogged caseload per attorney and for costs related
15 to retrying juvenile life without parole cases.

16 (2) Not later than March 1, the department of treasury shall
17 submit a report to the standard report recipients that includes
18 both of the following:

19 (a) The amount of each grant awarded and the county
20 prosecutor's office to which the grant was awarded.

21 (b) How the county prosecutor's office will use the grant
22 funds, including whether the grant funds will be used to retry
23 juvenile life without parole cases.
24

25 **STATE BUILDING AUTHORITY**

26 Sec. 1100. (1) Subject to section 242 of the management and
27 budget act, 1984 PA 431, MCL 18.1242, and on the approval of the
28 state building authority, the department of treasury may expend
29 from the general fund of this state during the fiscal year an



1 amount necessary to meet the cash flow requirements of those state
2 building authority projects solely for lease to a state agency
3 identified in both part 1 and this section, and for which state
4 building authority bonds or notes have not been issued, and for the
5 sole acquisition by the state building authority of equipment and
6 furnishings for lease to a state agency as permitted by 1964 PA
7 183, MCL 830.411 to 830.425, for which the issuance of bonds or
8 notes is authorized by an appropriations PA that is effective for
9 the immediately preceding fiscal year. Any general fund advances
10 for which state building authority bonds have not been issued must
11 bear an interest cost to the state building authority at a rate
12 that is not greater than the rate earned by the state treasurer's
13 common cash fund during the period in which the advances are
14 outstanding and are repaid to the general fund of this state.

15 (2) On sale of bonds or notes for the projects identified in
16 part 1 or for equipment as authorized by an appropriations PA and
17 in this section, the state building authority shall credit the
18 general fund of this state an amount equal to the amount expended
19 from the general fund plus interest, if any, as described in this
20 section.

21 (3) For state building authority projects for which bonds or
22 notes have been issued and on the request of the state building
23 authority, the state treasurer shall make advances without interest
24 from the general fund as necessary to meet cash flow requirements
25 for the projects. The state building authority shall reimburse the
26 state treasurer for the advances when the investments earmarked for
27 the financing of the projects mature.

28 (4) If a project identified in part 1 is terminated after
29 final design is complete, advances made on behalf of the state



1 building authority for the costs of final design must be repaid to
2 the general fund in a manner recommended by the director of the
3 state building authority.

4 Sec. 1102. (1) The state building authority shall not release
5 state building authority funding to a university or community
6 college to finance the construction or renovation of a facility
7 that collects revenue in excess of money required for the operation
8 of that facility unless the university or community college agrees
9 to use that excess revenue to reimburse the state building
10 authority. The excess revenue received by the state building
11 authority as reimbursement must be credited to the general fund to
12 offset rent obligations associated with the retirement of bonds
13 issued for the applicable facility. The auditor general shall
14 annually identify and audit the facilities that are subject to this
15 section. Costs associated with the administration of the audit must
16 be charged against money received by the state building authority
17 as reimbursement under this section.

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

22 Sec. 1103. Not later than October 15, the state building
23 authority shall submit a report to the standard report recipients
24 and the JCOS regarding the status of construction projects
25 associated with state building authority bonds as of the end of the
26 immediately preceding fiscal year. Not later than 30 days after a
27 refinancing or restructuring bond issue is sold, the state building
28 authority shall submit a report to the standard report recipients
29 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



1	TOTALS	\$6,657.2	\$79,845.5	\$4,407.8
---	--------	-----------	------------	-----------

2

3 ARTICLE 6A

4 DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAID AND BEHAVIORAL

5 HEALTH

6 PART 1

7 LINE-ITEM APPROPRIATIONS

8 Sec. 101. There is appropriated for the department of health
 9 and human services for the fiscal year ending September 30, 2026,
 10 from the following funds:

11 DEPARTMENT OF HEALTH AND HUMAN SERVICES

12 APPROPRIATION SUMMARY

13 Full-time equated unclassified positions	6.0
---	-----

14 Full-time equated classified positions	4,099.4
---	---------

15 Average population	798.0
-----------------------	-------

16 GROSS APPROPRIATION	\$ 25,389,338,500
------------------------	-------------------

17 Interdepartmental grant revenues:

18 Total interdepartmental grants and

19 intradepartmental transfers	2,450,100
--------------------------------	-----------

20 ADJUSTED GROSS APPROPRIATION	\$ 25,386,888,400
---------------------------------	-------------------

21 Federal revenues:

22 Capped federal revenues	38,013,900
----------------------------	------------

23 Social security act, temporary assistance for

24 needy families	64,020,800
-------------------	------------

25 Total other federal revenues	17,358,471,200
---------------------------------	----------------

26 Special revenue funds:

27 Total local revenues	56,429,300
-------------------------	------------

28 Total private revenues	25,182,800
---------------------------	------------



1	Michigan merit award trust fund		54,700,000
2	Total other state restricted revenues		2,611,298,100
3	State general fund/general purpose	\$	5,178,772,300
4	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
5	SUPPORT		
6	Full-time equated unclassified positions	6.0	
7	Full-time equated classified positions	917.6	
8	Unclassified salaries--FTEs	6.0	\$ 1,431,500
9	Administrative hearings officers		9,995,400
10	Child welfare institute--FTEs	54.9	9,552,100
11	Demonstration projects--FTE	1.0	6,290,800
12	Departmental administration and management--		
13	FTEs	656.4	98,399,700
14	Office of inspector general--FTEs	182.9	29,165,400
15	Property management		59,478,300
16	Terminal leave payments		7,091,300
17	Training and program support--FTEs	22.4	3,236,800
18	Worker's compensation		7,662,000
19	GROSS APPROPRIATION	\$	232,303,300
20	Appropriated from:		
21	Interdepartmental grant revenues:		
22	IDG from department of lifelong education,		
23	advancement, and potential		1,839,800
24	IDG from department of technology, management,		
25	and budget - office of retirement services		600
26	Federal revenues:		
27	Capped federal revenues		19,602,300



1	Social security act, temporary assistance for		
2	needy families		27,391,300
3	Total other federal revenues		68,687,500
4	Special revenue funds:		
5	Total local revenues		86,000
6	Total private revenues		3,846,900
7	Total other state restricted revenues		1,321,600
8	State general fund/general purpose	\$	109,527,300
9	Sec. 103. BEHAVIORAL HEALTH PROGRAM		
10	ADMINISTRATION AND SPECIAL PROJECTS		
11	Full-time equated classified positions	85.0	
12	Behavioral health program administration--FTEs	48.0	\$ 43,235,500
13	Community substance use disorder prevention,		
14	education, and treatment--FTEs	9.0	78,626,200
15	Family support subsidy		16,290,400
16	Federal and other special projects		2,535,600
17	Gambling addiction--FTE	1.0	9,521,300
18	Michigan crisis and access line		16,398,000
19	Office of recipient rights--FTEs	25.0	3,502,800
20	Opioid response activities--FTEs	2.0	148,157,400
21	Protection and advocacy services support		194,400
22	GROSS APPROPRIATION	\$	318,461,600
23	Appropriated from:		
24	Federal revenues:		
25	Social security act, temporary assistance for		
26	needy families		16,290,400
27	Total other federal revenues		168,475,300
28	Special revenue funds:		

1	Total private revenues		2,904,700
2	Total other state restricted revenues		92,805,500
3	State general fund/general purpose	\$	37,985,700
4	Sec. 104. BEHAVIORAL HEALTH SERVICES		
5	Full-time equated classified positions	15.0	
6	Behavioral health community supports and		
7	services--FTEs	11.0	\$ 44,577,700
8	Civil service charges		297,500
9	Community mental health non-Medicaid services		125,578,200
10	Federal mental health block grant--FTEs	4.0	24,471,700
11	Nursing home PAS/ARR-OBRA		15,213,600
12	State disability assistance program substance		
13	use disorder services		2,018,800
14	GROSS APPROPRIATION	\$	212,157,500
15	Appropriated from:		
16	Federal revenues:		
17	Total other federal revenues		44,486,000
18	State general fund/general purpose	\$	167,671,500
19	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND		
20	FORENSIC MENTAL HEALTH SERVICES		
21	Full-time equated classified positions	2,542.6	
22	Average population	798.0	
23	Caro Regional Mental Health Center -		
24	psychiatric hospital - adult--FTEs	530.7	\$ 61,299,100
25	Average population	145.0	
26	Center for forensic psychiatry--FTEs	624.5	102,649,400
27	Average population	240.0	

1	Developmental disabilities council and		
2	projects--FTEs	9.0	3,196,800
3	Gifts and bequests for patient living and		
4	treatment environment		1,000,000
5	IDEA, federal special education		120,000
6	Kalamazoo Psychiatric Hospital - adult--FTEs	561.2	72,573,300
7	Average population	170.0	
8	Revenue recapture		750,100
9	Southeast Michigan state psychiatric hospital -		
10	psychiatric hospital - adult, children, and		
11	adolescents--FTEs	0.0	100
12	State hospital administration--FTEs	31.0	5,345,000
13	Walter P. Reuther Psychiatric Hospital - adult,		
14	children, and adolescents--FTEs	786.2	118,069,800
15	Average population	243.0	
16	GROSS APPROPRIATION		\$ 365,003,600
17	Appropriated from:		
18	Federal revenues:		
19	Total other federal revenues		41,451,200
20	Special revenue funds:		
21	Total local revenues		23,283,200
22	Total private revenues		1,000,000
23	Total other state restricted revenues		14,856,700
24	State general fund/general purpose		\$ 284,412,500
25	Sec. 106. CHILDREN'S SPECIAL HEALTH CARE		
26	SERVICES		
27	Full-time equated classified positions	49.2	
28	Bequests for care and services--FTEs	9.8	\$ 2,087,100



1	Children's special health care services		
2	administration--FTEs	39.4	8,743,800
3	Medical care and treatment		384,472,900
4	Outreach and advocacy		6,722,200
5	GROSS APPROPRIATION	\$	402,026,000
6	Appropriated from:		
7	Federal revenues:		
8	Total other federal revenues		214,854,100
9	Special revenue funds:		
10	Total private revenues		1,025,200
11	Total other state restricted revenues		4,272,300
12	State general fund/general purpose	\$	181,874,400
13	Sec. 107. HEALTH AND AGING SERVICES		
14	ADMINISTRATION		
15	Full-time equated classified positions	489.0	
16	Aging services administration--FTEs	41.0	\$ 9,369,400
17	Health services administration--FTEs	448.0	122,554,100
18	GROSS APPROPRIATION	\$	131,923,500
19	Appropriated from:		
20	Federal revenues:		
21	Total other federal revenues		84,770,600
22	Special revenue funds:		
23	Total local revenues		37,700
24	Total private revenues		1,721,300
25	Total other state restricted revenues		336,300
26	State general fund/general purpose	\$	45,057,600
27	Sec. 108. HEALTH SERVICES		
28	Adult home help services	\$	548,201,300



1	Ambulance services	25,000,500
2	Auxiliary medical services	5,819,200
3	Dental services	90,868,300
4	Federal Medicare pharmaceutical program	389,029,800
5	Federally qualified health centers	230,258,200
6	Health plan services	5,238,171,200
7	Healthy Kids Dental	230,000,000
8	Healthy Michigan plan	2,894,526,200
9	Healthy Michigan plan - fee-for-service	1,453,777,900
10	Home health services	5,891,400
11	Hospice services	198,455,700
12	Hospital services and therapy	618,040,200
13	Integrated care organizations	381,696,300
14	Long-term care services	2,634,382,600
15	Maternal and child health	36,553,100
16	Medicaid home- and community-based services	
17	waiver	535,786,700
18	Medicare premium payments	1,016,980,600
19	MiDocs consortium	20,200,000
20	Personal care services	4,994,500
21	Pharmaceutical services	295,906,500
22	Physician services	216,479,900
23	Program of all-inclusive care for the elderly	286,019,400
24	Rural access hospital payments	23,675,000
25	Rural health transformation program	250,000,000
26	School-based services	225,919,400
27	Special Medicaid reimbursement	341,750,400
28	Transportation	20,840,900

1	GROSS APPROPRIATION		\$ 18,219,225,200
2	Appropriated from:		
3	Federal revenues:		
4	Total other federal revenues	12,952,718,800	
5	Special revenue funds:		
6	Total local revenues	32,768,800	
7	Total private revenues	9,684,700	
8	Michigan merit award trust fund	54,700,000	
9	Total other state restricted revenues	2,423,583,700	
10	State general fund/general purpose		\$ 2,745,769,200
11	Sec. 109. INFORMATION TECHNOLOGY		
12	Full-time equated classified positions	1.0	
13	Bridges information system	\$	84,616,100
14	Child support automation		40,135,400
15	Comprehensive child welfare information system		6,047,300
16	Information technology services and projects		159,588,000
17	Michigan Medicaid information system--FTE	1.0	95,214,500
18	Michigan statewide automated child welfare		
19	information system		14,029,800
20	GROSS APPROPRIATION		\$ 399,631,100
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG from department of lifelong education,		
24	advancement, and potential		609,700
25	Federal revenues:		
26	Capped federal revenues		18,411,600
27	Social security act, temporary assistance for		
28	needy families		20,339,100



1	Total other federal revenues	245,787,800
2	Special revenue funds:	
3	Total local revenues	6,700
4	Total private revenues	5,000,000
5	Total other state restricted revenues	1,523,300
6	State general fund/general purpose	\$ 107,952,900
7	Sec. 110. ONE-TIME APPROPRIATIONS	
8	Autism services	\$ 467,644,200
9	Certified community behavioral health clinic	
10	demonstration	565,286,700
11	Health homes	25,000,000
12	Healthy Michigan plan - behavioral health	531,044,900
13	Medicaid mental health services	3,352,643,500
14	Medicaid substance use disorder services	88,323,300
15	State psychiatric DSH disallowance	78,664,100
16	GROSS APPROPRIATION	\$ 5,108,606,700
17	Appropriated from:	
18	Federal revenues:	
19	Total other federal revenues	3,537,239,900
20	Special revenue funds:	
21	Total local revenues	246,900
22	Total other state restricted revenues	72,598,700
23	State general fund/general purpose	\$ 1,498,521,200

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 current fiscal year, total state spending under part 1 from state sources is \$7,844,770,400.00 and state spending under part 1 from state sources to be paid to local units of government is \$1,760,532,900.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND

SPECIAL PROJECTS

Behavioral health program administration	\$	125,100
Community substance use disorder prevention, education, and treatment		8,828,300
Gambling addiction		1,333,700
Opioid response activities		1,770,500

BEHAVIORAL HEALTH SERVICES

Autism services	\$	159,137,200
Behavioral health community supports and services		171,800
Certified community behavioral health clinic demonstration		89,799,200
Community mental health non-Medicaid services		125,578,200
Health homes		2,991,800
Healthy Michigan plan - behavioral health		53,508,500
Medicaid mental health services		1,156,756,200
Medicaid substance use disorder services		30,262,900
Nursing home PAS/ARR-OBRA		3,789,400
State disability assistance program substance use disorder services		2,018,800



**STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL
HEALTH SERVICES**

Caro Regional Mental Health Center -		
psychiatric hospital - adult	\$	183,600
Center for forensic psychiatry		674,000
Kalamazoo Psychiatric Hospital - adult		66,200
Walter P. Reuther Psychiatric Hospital - adult,		
children, and adolescents		109,900

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Medical care and treatment	\$	796,700
Outreach and advocacy		3,361,100

HEALTH AND AGING SERVICES ADMINISTRATION

Aging services administration	\$	200,200
-------------------------------	----	---------

HEALTH SERVICES

Adult home help services	\$	53,000
Ambulance services		943,000
Dental services		487,400
Healthy Michigan plan - fee-for-service		960,600
Hospital services and therapy		1,351,300
Long-term care services		96,870,300
Medicaid home- and community-based services		
waiver		15,237,200
Personal care services		22,300
Physician services		2,864,500
Transportation		280,000

TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT \$ 1,760,532,900

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.



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

2 (a) "AIDS" means acquired immunodeficiency syndrome.

3 (b) "CCBHC" means certified community behavioral health
4 clinic.

5 (c) "CMHSP" means a community mental health services program
6 as that term is defined in section 100a of the mental health code,
7 1974 PA 258, MCL 330.1100a.

8 (d) "CMS" means the Centers for Medicare and Medicaid
9 Services.

10 (e) "CPT" means current procedural terminology.

11 (f) "Current fiscal year" means the fiscal year ending
12 September 30, 2026.

13 (g) "Department" means the department of health and human
14 services.

15 (h) "Director" means the director of the department.

16 (i) "EPSDT" means early and periodic screening, diagnosis, and
17 treatment.

18 (j) "Federal poverty level" means the poverty guidelines
19 revised periodically and published in the Federal Register by the
20 Secretary of the United States Department of Health and Human
21 Services under the Secretary's authority to revise the poverty line
22 under 42 USC 9902.

23 (k) "FQHC" means federally qualified health center.

24 (l) "FTE" means full-time equated.

25 (m) "GME" means graduate medical education.

26 (n) "Health plan" means, at a minimum, an organization that
27 meets the criteria for delivering the comprehensive package of
28 services under the department's comprehensive health plan.

29 (o) "HEDIS" means health care effectiveness data and



1 information set.

2 (p) "HMO" means health maintenance organization.

3 (q) "IDEA" means the individuals with disabilities education
4 act, 20 USC 1400 to 1482.

5 (r) "IDG" means interdepartmental grant.

6 (s) "MCH" means maternal and child health.

7 (t) "Medicaid" means subchapter XIX of the social security
8 act, 42 USC 1396 to 1396w-8.

9 (u) "Medicare" means subchapter XVIII of the social security
10 act, 42 USC 1395 to 1395III.

11 (v) "MiCAFE" means Michigan's coordinated access to food for
12 the elderly.

13 (w) "MiChild" means the program described in section 1670 of
14 this part.

15 (x) "MiSACWIS" means Michigan statewide automated child
16 welfare information system.

17 (y) "PACE" means program of all-inclusive care for the
18 elderly.

19 (z) "PAS/ARR-OBRA" means the preadmission screening and annual
20 resident review required under the omnibus budget reconciliation
21 act of 1987, section 1919(e)(7) of the social security act, 42 USC
22 1396r.

23 (aa) "PATH" means Partnership. Accountability. Training. Hope.

24 (bb) "PFAS" means perfluoroalkyl and polyfluoroalkyl
25 substances.

26 (cc) "PIHP" means an entity designated by the department as a
27 regional entity or a specialty prepaid inpatient health plan for
28 Medicaid mental health services, services to individuals with
29 developmental disabilities, and substance use disorder services.



1 Regional entities are described in section 204b of the mental
2 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
3 inpatient health plans are described in section 232b of the mental
4 health code, 1974 PA 258, MCL 330.1232b.

5 (dd) "Previous fiscal year" means the fiscal year ending
6 September 30, 2025.

7 (ee) "Quarterly basis" means February 1, April 1, July 1, and
8 September 30 of the current fiscal year.

9 (ff) "Semiannual basis" means March 1 and September 30 of the
10 current fiscal year.

11 (gg) "Settlement" means the settlement agreement entered in
12 the case of *Dwayne B. v Snyder*, Docket No. 2:06-cv-13548 in the
13 United States District Court for the Eastern District of Michigan.

14 (hh) "SSI" means supplemental security income.

15 (ii) "Standard report recipients" means the senate and house
16 of representatives appropriations subcommittees on the department
17 budget, the senate and house fiscal agencies, the senate and house
18 of representatives policy offices, and the state budget office.

19 (jj) "Temporary assistance for needy families" or "TANF" or
20 "title IV-A" means part A of subchapter IV of the social security
21 act, 42 USC 601 to 619.

22 (kk) "Title IV-B" means part B of title IV of the social
23 security act, 42 USC 621 to 629m.

24 (ll) "Title IV-D" means part D of title IV of the social
25 security act, 42 USC 651 to 669b.

26 (mm) "Title IV-E" means part E of title IV of the social
27 security act, 42 USC 670 to 679c.

28 (nn) "Title X" means subchapter VIII of the public health
29 service act, 42 USC 300 to 300a-8, which establishes grants to



1 states for family planning services.

2 Sec. 204. If the state administrative board, acting under
3 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
4 appropriated under part 1, the legislature may, by a concurrent
5 resolution adopted by a majority of the members elected to and
6 serving in each house, inter-transfer funds within part 1 for the
7 particular department, board, commission, officer, or institution.

8 Sec. 205. The department shall not take disciplinary action
9 against an employee of the department because the employee
10 communicates with a member of the legislature or legislative staff,
11 unless the communication is prohibited by law and the department is
12 exercising its authority as provided by law.

13 Sec. 206. To the extent permissible under section 261 of the
14 management and budget act, 1984 PA 431, MCL 18.1261, all of the
15 following apply to the expenditure of funds appropriated in part 1:

16 (a) The funds must not be used for the purchase of foreign
17 goods or services, or both, if competitively priced and of
18 comparable quality American goods or services, or both, are
19 available.

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

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

27 Sec. 207. The department shall use the internet to fulfill the
28 reporting requirements of this part. This requirement includes
29 transmitting reports to the standard report recipients and any



1 other required recipients by email and posting the reports on an
2 internet site.

3 Sec. 208. The department shall receive and retain copies of
4 all reports funded from appropriations in part 1. The department
5 shall follow federal and state guidelines for short-term and long-
6 term retention of records. The department may electronically retain
7 copies of reports unless otherwise required by federal and state
8 guidelines.

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

18 Sec. 210. Not later than 14 days after the release of the
19 executive budget recommendation, the department shall cooperate
20 with the state budget office to provide an annual report on
21 estimated state restricted fund balances, state restricted fund
22 projected revenues, and state restricted fund expenditures for the
23 previous 2 fiscal years. The report must be submitted to the
24 standard report recipients and to the chairpersons of the senate
25 and house of representatives appropriations committees.

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



1 department:

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

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

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

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

10 Sec. 212. Consistent with section 217 of the management and
11 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
12 a report on out-of-state travel expenses not later than January 1.
13 The report must list all travel outside this state by classified
14 and unclassified employees in the previous fiscal year that was
15 funded in whole or in part with funds appropriated in the
16 department's budget. The department shall submit the report to the
17 standard report recipients and to the senate and house
18 appropriations committees. The report must include all of the
19 following information:

20 (a) The dates of each travel occurrence.

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

26 Sec. 213. On a quarterly basis, the department shall report on
27 the number of full-time equated positions in pay status by civil
28 service classification, including a comparison by line item of the
29 number of full-time equated positions authorized from funds



1 appropriated in part 1 to the actual number of full-time equated
2 positions employed by the department at the end of the reporting
3 period. The report must be submitted to the standard report
4 recipients and to the senate and house appropriations committees.

5 Sec. 214. Not later than April 1, the department shall report
6 on each specific policy change made to implement a public act
7 affecting the department that took effect during the previous
8 calendar year. The report must include reference to the public act
9 that necessitates the policy change. The department shall submit
10 the report to the standard report recipients, the senate and house
11 appropriations committees, and the joint committee on
12 administrative rules.

13 Sec. 215. (1) From the funds appropriated in part 1, the
14 department shall do the following:

15 (a) Report to the standard report recipients and to the senate
16 and house appropriations committees any amounts of severance pay
17 for a department director, deputy director, or other high-ranking
18 department official not later than 14 days after a severance
19 agreement with the director, deputy director, or official is
20 signed. The name of the director, deputy director, or official and
21 the amount of severance pay must be included in the report required
22 by this subdivision.

23 (b) Not later than February 1, report on the total amount of
24 severance pay remitted to former department employees during the
25 prior fiscal year and the total number of former department
26 employees that were remitted severance pay during the prior fiscal
27 year.

28 (2) As used in this section, "severance pay" means
29 compensation to which both of the following apply:



1 (a) The compensation is payable or paid upon the termination
2 of employment.

3 (b) The compensation is paid in addition to wages or benefits
4 earned during the course of employment or generally applicable
5 retirement benefits.

6 Sec. 216. (1) The department shall maximize the efficiency of
7 the state workforce. The department shall prioritize employees
8 working in person 5 days per week for each division within the
9 department. Employees with job responsibilities that require the
10 employees to serve in their capacities outside of the office must
11 report to the office before beginning fieldwork. Field service
12 employees include, but are not limited to, protective services
13 workers, parole and probation officers, conservation officers,
14 state troopers assigned to road patrol, inspectors, and
15 construction and trade workers.

16 (2) The department shall establish a policy and process for
17 verifying that all employees are working their jobs during normal
18 business hours.

19 (3) The department shall provide information on employee badge
20 scanning when requested by a member of the legislature.

21 Sec. 217. (1) Funds appropriated in part 1 that are utilized
22 for grants or grant programs are subject to the following
23 conditions:

24 (a) Grant funds must be provided only to an entity that has
25 been established or is operating in this state or another state for
26 at least 36 months before approval or disbursement of grant funds.

27 (b) Grant funds must be provided only to an entity that has
28 had an office within this state or in the service area covered
29 under the grant for at least 12 months before approval or



1 disbursement of grant funds.

2 (c) Before awarding or disbursing grant funds, all grant
3 recipients must provide a spending plan that specifies the scope of
4 service, the program goals, the measurement for meeting program
5 goals, and how all grant funds will be used and must indicate if
6 any grant funds will be provided to a third party or subrecipient.

7 (d) Up to 20% of grant funds may be spent on administrative
8 costs and salaries. Up to 10% is authorized for contingencies.

9 (e) Each department or agency responsible for awarding or
10 disbursing grant funds must annually audit the entity's use of the
11 grant funds for each fiscal year in which the grant is active. Each
12 entity must submit information requested by the department to
13 confirm compliance.

14 (f) Each department and agency shall work with the office of
15 the auditor general to conduct an audit of the grant according to
16 generally accepted accounting practices and audit standards. The
17 office of the auditor general must be given access to all internal
18 and external records. All contracts or agreements between a
19 department or agency and a grant recipient or between a grant
20 recipient and a third party must include a clause granting the
21 office of the auditor general access to all internal and external
22 records.

23 (g) Grant recipients and their immediate family members are
24 prohibited from being employed by the executive branch or
25 legislative branch of this state. In addition, grant recipients are
26 prohibited from serving on any state board that has direct or
27 indirect responsibility for approving of or auditing grant funds
28 awarded or disbursed by any department or agency.

29 (h) Full and complete audits of grant funds issued by the



1 department or an agency of this state, without redaction unless
2 required by law, must be posted to the department's website in a
3 conspicuous place for public review.

4 (2) On a quarterly basis, the department shall submit a report
5 to the standard report recipients on legislatively sponsored grant
6 funds that includes, but is not limited to, all of the following:

7 (a) The name of each grant recipient and the status of each
8 grant.

9 (b) The amount distributed to each grant recipient.

10 (c) The remaining amount to be distributed to each grant
11 recipient.

12 (d) Any changes to scope or costs of program.

13 (3) The report under subsection (2) must include the following
14 statements made by the department:

15 (a) A statement that confirms the department reviewed and
16 affirmed compliance by each grant recipient to program scope and
17 expenditure of grant funding.

18 (b) A statement that confirms the department reviewed
19 applicable program reports and requests for reimbursement.

20 Sec. 218. (1) The department shall require as a condition of
21 each contract or subcontract that the prequalified contractor or
22 prequalified subcontractor agree to use the E-Verify system to
23 verify that all persons hired during the contract term by the
24 contractor or subcontractor are legally present and authorized to
25 work in the United States.

26 (2) The department may verify this information directly or may
27 require contractors and subcontractors to verify the information
28 and submit a certification to the department. The department shall
29 submit a report to the standard report recipients not later than



1 March 1 of each year that describes the processes it has developed
2 and implemented under provisions of this section.

3 (3) The department shall not contract with any foreign
4 entities that are known or suspected to be enemies of the United
5 States, or known foreign adversaries. Foreign adversaries include
6 all of the following:

7 (a) The People's Republic of China.

8 (b) The Russian Federation.

9 (c) The Islamic Republic of Iran.

10 (d) The Democratic People's Republic of Korea.

11 (e) The Republic of Cuba.

12 (f) The Venezuelan regime of Nicolás Maduro.

13 (g) The Syrian Arab Republic.

14 (h) An agency or other entity under significant control of a
15 country described in subdivisions (a) to (g).

16 (4) As used in this section, "E-Verify" means an internet-
17 based system operated by the Department of Homeland Security, U.S.
18 Citizenship and Immigration Services in partnership with the Social
19 Security Administration.

20 Sec. 219. Funds appropriated in part 1 from state or federal
21 sources are prohibited from being used to provide services, grants,
22 or programming to an individual who is not a citizen of the United
23 States, unless the individual is a qualified alien as that term is
24 defined in 8 USC 1641. This section does not prohibit the
25 department, political subdivision, state university, or other state
26 agency from expending funds for the purpose of detaining
27 individuals who are not citizens of the United States, including
28 any costs associated with housing such individuals in county jails
29 or state correctional facilities.



1 Sec. 221. (1) In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$20,000,000.00 for
3 federal contingency authorization. Amounts appropriated under this
4 subsection are not available for expenditure until they have been
5 transferred to another line item in part 1 under section 393(2) of
6 the management and budget act, 1984 PA 431, MCL 18.1393. Federal
7 contingency authorization must not be made available to increase
8 TANF authorization.

9 (2) In addition to the funds appropriated in part 1, there is
10 appropriated an amount not to exceed \$20,000,000.00 for state
11 restricted contingency authorization. Amounts appropriated under
12 this subsection are not available for expenditure until they have
13 been transferred to another line item in part 1 under section
14 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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



1 Sec. 223. The department shall submit a quarterly report that
2 summarizes all work project accounts. The report must include all
3 of the following:

4 (a) A list of all work project accounts.

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

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

12 Sec. 224. Total authorized appropriations from all sources
13 under part 1 for legacy costs for the fiscal year ending September
14 30, 2026 are estimated at \$201,838,700.00. From this amount, total
15 department appropriations for pension-related legacy costs are
16 estimated at \$182,045,900.00. Total department appropriations for
17 retiree health care legacy costs are estimated at \$19,792,800.00.

18 Sec. 225. (1) The department shall maintain, on a publicly
19 accessible website, a department scorecard that identifies, tracks,
20 and updates on a quarterly basis key metrics that are used to
21 monitor and improve the department's performance.

22 (2) The department must notify the standard report recipients
23 when the quarterly updates to the department scorecard are
24 available on a publicly accessible website.

25 Sec. 226. (1) Unless specifically authorized elsewhere in this
26 part or part 1, funds appropriated in part 1 must not be used to
27 pay for a state obligation that exceeds \$200,000.00 for a court-
28 approved judgment, settlement, award, or claim without prior
29 legislative approval.



1 (2) If a state obligation for a court-approved judgment,
2 settlement, award, or claim results in a change from current
3 statute, the department shall notify the legislature.

4 (3) This section does not apply to compensation and other
5 relief to individuals wrongfully imprisoned as required under the
6 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
7 to 691.1757.

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

16 Sec. 228. State funds must not be used for diversity, equity,
17 and inclusion, or DEI, initiatives or programs or as outlined in
18 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
19 Radical and Wasteful Government DEI Programs and Preferencing",
20 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
21 Women from Gender Ideology Extremism and Restoring Biological Truth
22 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
23 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
24 Merit-Based Opportunity".

25 Sec. 250. If either of the following events occurs, not later
26 than 30 days after the event occurs, the department shall notify
27 the standard report recipients of that fact:

28 (a) A legislative objective of this part or of a bill or
29 amendment to a bill to amend the social welfare act, 1939 PA 280,



1 MCL 400.1 to 400.119b, cannot be implemented because implementation
2 would conflict with or violate federal law.

3 (b) A federal grant for which a notice of an award has been
4 received cannot be used or will not be used.

5 Sec. 251. (1) In addition to funds appropriated in part 1 for
6 all programs and services, there is appropriated, for write-offs of
7 accounts receivable, deferrals, and for prior year obligations in
8 excess of applicable prior year appropriations, an amount equal to
9 total write-offs and prior year obligations, but not to exceed
10 amounts available in prior year revenues.

11 (2) The department's ability to satisfy appropriation fund
12 sources in part 1 is not limited to collections and accruals
13 pertaining to services provided in the current fiscal year and
14 includes reimbursements, refunds, adjustments, and settlements from
15 prior years.

16 Sec. 252. Not later than February 1 of the current fiscal
17 year, the department shall submit, to the standard report
18 recipients, a report on the detailed names and amounts of estimated
19 federal, restricted, private, and local sources of revenue that
20 support the appropriations in each of the line items in part 1 for
21 the previous fiscal year. The report must itemize, rather than
22 aggregate, specific revenue sources deposited into the generic
23 statewide integrated governmental management application (SIGMA)
24 fund numbers 1200, 1274, 4000, and 5000.

25 Sec. 253. (1) The department shall ensure that each federally
26 recognized tribe is able to apply and compete for services,
27 programs, grants, and contracts.

28 (2) For competitive grant programs described in this part,
29 each federally recognized tribe is eligible to apply for grant



1 funds made available to organizations exempt from federal income
2 tax under section 501(c)(3) of the internal revenue code of 1986,
3 26 USC 501, and to local units of government.

4 Sec. 254. As required under part 23 of the public health code,
5 1978 PA 368, MCL 333.2301 to 333.2321, the appropriations in part 1
6 must include the following:

7 (a) Immunizations.

8 (b) Communicable disease control.

9 (c) Sexually transmitted infection control.

10 (d) Tuberculosis control.

11 (e) Prevention of gonorrhea eye infection in newborns.

12 (f) Screening newborn infants for the conditions listed in
13 section 5431 of the public health code, 1978 PA 368, MCL 333.5431,
14 or recommended by the newborn screening quality assurance advisory
15 committee created under section 5430 of the public health code,
16 1978 PA 368, MCL 333.5430.

17 (g) Health and human services annex of the Michigan Emergency
18 Management Plan.

19 (h) Prenatal care.

20 (i) Mental health.

21 Sec. 255. The department shall not expend any funds
22 appropriated in part 1 to enter into any contract or other
23 agreement with a nonprofit organization, or its individual
24 employees, established under section 2611 of the public health
25 code, 1978 PA 368, MCL 333.2611, for the purpose of performing all
26 or any portion of the department's regulatory, disciplinary, or
27 administrative duties.

28 Sec. 256. The department shall ensure that faith-based
29 organizations are able to apply and compete for services, programs,



1 or contracts that the organizations are qualified and suitable to
2 fulfill. The department shall not disqualify faith-based
3 organizations solely on the basis of the religious nature of the
4 organizations or the guiding principles or statements of faith for
5 the organizations.

6 Sec. 257. In accordance with section 1b of the social welfare
7 act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and
8 this part as a time-limited addendum to the social welfare act,
9 1939 PA 280, MCL 400.1 to 400.119b.

10 Sec. 258. (1) Not later than 30 days before the implementation
11 date of a major policy change, the department shall report the
12 change to the standard report recipients.

13 (2) The department shall make the department's entire policy
14 and procedures manual available and accessible to the public on the
15 department's website.

16 (3) The department shall attach each policy bulletin issued
17 during the previous calendar year to the report under section 214.

18 Sec. 259. The department may establish and collect fees for
19 publications, videos and related materials, conferences, and
20 workshops. Collected fees are appropriated when received and must
21 be used to offset expenditures for publication printing and
22 mailing, costs of the publications, videos and related materials,
23 conferences, and workshops. The department shall not collect fees
24 under this section that exceed the cost of the expenditures. If
25 collected fees are appropriated under this section in an amount
26 that exceeds the current fiscal year appropriation, not later than
27 30 days after the collected fee appropriation, the department shall
28 notify the standard report recipients of that fact.

29 Sec. 260. The department may retain all of this state's share



1 of food assistance overissuance collections as an offset to general
2 fund/general purpose costs. Retained collections must be applied
3 against federal funds deductions in all appropriation units where
4 department costs related to the investigation and recoupment of
5 food assistance overissuances are incurred. Retained collections in
6 excess of the investigation and recoupment costs must be applied
7 against the federal funds deducted in the departmental
8 administration and support appropriation unit.

9 Sec. 261. If the revenue collected by the department from fees
10 and collections exceeds the amount appropriated in part 1, the
11 revenue may be carried forward with the approval of the state
12 budget director into the subsequent fiscal year. The revenue
13 carried forward under this section must be used as the first source
14 of funds in the subsequent fiscal year.

15 Sec. 262. If the department receives tobacco tax funds and
16 Healthy Michigan fund revenue from part 1, not later than April 1
17 of the current fiscal year, the department shall submit, to the
18 standard report recipients, a report on both of the following
19 activities during the previous fiscal year:

20 (a) Tobacco tax revenue appropriations in the Medicaid
21 program.

22 (b) Information for each project implemented with revenue
23 under this section, including all of the following:

24 (i) The project's name.

25 (ii) The appropriation line item and amount.

26 (iii) The project's target population.

27 (iv) A description of the project.

28 (v) The outcomes or accomplishments of the project.

29 Sec. 263. (1) Except as provided in this subsection, before



1 submission of a waiver, state plan amendment, or similar proposal
2 to CMS or another federal agency, the department shall notify the
3 standard report recipients of the planned submission. This
4 subsection does not apply to the submission of a waiver, state plan
5 amendment, or similar proposal that does not propose a material
6 change or is outside of the ordinary course of a waiver, state plan
7 amendment, or similar proposal.

8 (2) On a semiannual basis, the department shall submit, to the
9 standard report recipients, a report that summarizes the status of
10 any new or ongoing discussions with CMS, the United States
11 Department of Health and Human Services, or another federal agency
12 regarding any potential or future waiver applications and the
13 status of any submitted waivers that have not yet received federal
14 approval. If there is not a reportable item at the time that a
15 semiannual report is due, a report is not required.

16 Sec. 264. If the department is authorized under federal law or
17 the law of this state to collect an overpayment owed to the
18 department, beginning 60 days after the initial notification date
19 of the overpayment amount, the department may assess a penalty of
20 1% per month. If an overpayment is caused by department error, a
21 penalty may be assessed 6 months after the initial notification
22 date of the overpayment amount. The department shall not collect
23 penalty interest in an amount that exceeds the amount of the
24 original overpayment. This state's share of any funds collected
25 under this section must be deposited in the general fund of this
26 state.

27 Sec. 265. Not later than March 1 of the current fiscal year,
28 the department shall submit, to the standard report recipients, a
29 report on the status of the implementation of any noninflationary,



1 noncaseload, programmatic funding increases in the current fiscal
2 year from the previous fiscal year. The report must confirm the
3 implementation of already-implemented funding increases and provide
4 an explanation for any planned implementation of funding increases
5 that have not yet occurred. For any planned implementation of
6 funding increases that have not yet occurred, the report must
7 include an expected implementation date and the reason for delayed
8 implementation.

9 Sec. 266. The department shall provide the approved spending
10 plan for each line item receiving an appropriation in the current
11 fiscal year to the senate and house of representatives
12 appropriations subcommittees on the department budget and the
13 senate and house fiscal agencies not later than 60 days after
14 approval by the department or not later than January 15 of the
15 current fiscal year, whichever is earlier. In all places that a
16 line-item appropriation number is listed, a line-item appropriation
17 name must be included. The spending plan must include the following
18 information regarding planned expenditures for each category:
19 allocation in the previous period, change in the allocation, and
20 new allocation. The spending plan must include the following
21 information regarding each revenue source for the line item:
22 category of the fund source indicated by general fund/general
23 purpose, state restricted, local, private, or federal. Figures
24 included in the approved spending plan must not be assumed to
25 constitute the actual final expenditures, as line items may be
26 updated on an as-needed basis to reflect changes in projected
27 expenditures and projected revenue. The department shall supplement
28 the spending plan information by providing a list of all active
29 contracts and grants in the department's contract system. For



1 amounts listed in the other contracts category of each spending
2 plan, the department shall include the name of the line item and
3 the name of the fund source for each contract, grant, and amount
4 for the current fiscal year. For amounts listed in the all other
5 costs category of each spending plan, the department shall provide
6 a list detailing planned expenditures and amounts for the current
7 fiscal year and include the name of the line item and the name of
8 the fund source related to each expenditure and amount.

9 Sec. 267. Not later than March 1 of the current fiscal year,
10 the department shall submit, to the standard report recipients, a
11 report on total actual expenditures in the previous fiscal year for
12 advertising and media outreach, including the purpose, amount, and
13 fund source by program or appropriation line item.

14 Sec. 268. Not later than March 1 of the current fiscal year,
15 the department shall submit a description of programs report to the
16 standard report recipients. For each program, the report must
17 include the appropriation unit; the line item name and number; the
18 appropriation history; the program name; the program overview; a
19 financing summary; and, where applicable, the program's legal
20 basis, effectiveness, and outcomes.

21 Sec. 269. On a monthly basis, the department shall submit, to
22 the standard report recipients, a report on any line-item
23 appropriation for which the department estimates total annual
24 expenditures would exceed the funds appropriated for the line-item
25 appropriation by 5% or more. The department shall provide a
26 detailed explanation for any relevant line-item appropriation
27 exceedance and identify the corrective actions undertaken to
28 mitigate line-item appropriation expenditures from exceeding the
29 funds appropriated for the line-item appropriation by a greater



1 amount. This section does not apply for line-item appropriations
2 that are part of the May revenue estimating conference caseload and
3 expenditure estimates.

4 Sec. 270. The department shall advise the legislature of the
5 receipt of a notification from the attorney general's office of a
6 legal action in which expenses had been recovered under section
7 106(6) of the social welfare act, 1939 PA 280, MCL 400.106. If
8 applicable, not later than February 1 of the current fiscal year,
9 the department shall submit, to the standard report recipients, a
10 report that includes, but is not limited to, all of the following:

11 (a) The total amount recovered from the legal action.

12 (b) The program or service for which the money was originally
13 expended.

14 (c) Details on the disposition of the funds recovered, such as
15 the appropriation or revenue account in which the money was
16 deposited.

17 (d) A description of the facts involved in the legal action.

18 (e) The legal costs incurred at the attorney general's office
19 for each legal action in which expenses were recovered under
20 section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.

21 Sec. 274. On the day that is 1 week after the day that the
22 governor submits the executive budget proposal for the ensuing
23 fiscal year to the legislature, the department, in collaboration
24 with the state budget office, shall submit, to the standard report
25 recipients, a report on spending and revenue projections for each
26 of the capped federal funds listed in this subsection. The report
27 must contain actual spending and revenue in the previous fiscal
28 year, spending and revenue projections for the current fiscal year
29 as enacted, and spending and revenue projections in the executive



1 budget proposal for the immediately ensuing fiscal year for each
2 individual line item for the department budget. The report must
3 also include federal funds transferred to other departments. The
4 capped federal funds include, but are not limited to, all of the
5 following:

6 (a) TANF.

7 (b) Title XX social services block grant.

8 (c) Title IV-B subpart I child welfare services block grant.

9 (d) Title IV-B subpart II promoting safe and stable families
10 funds.

11 (e) Low-income home energy assistance program.

12 Sec. 275. (1) On a quarterly basis, the department, with the
13 approval of the state budget director, is authorized to realign
14 sources between other federal, TANF, and capped federal financing
15 authorizations to maximize federal revenues. The realignment of
16 financing must not produce any of the following:

17 (a) A gross increase or decrease in the department's total
18 individual line item authorizations.

19 (b) A net increase or decrease in total federal revenues.

20 (c) A net increase in TANF authorization.

21 (2) On a quarterly basis, the department shall submit, to the
22 standard report recipients, a report on the realignment of federal
23 fund sources transacted to date in the current fiscal year under
24 subsection (1), including the dates, line items, and amounts of the
25 transactions. If, at the time a quarterly report is due, a
26 transaction was not made under subsection (1), a report is not
27 required.

28 (3) Not later than 30 days after the date on which year-end
29 book closing is completed, the department shall submit, to the



1 standard report recipients, a report on the realignment of federal
2 fund sources that took place as part of the year-end closing
3 process for the previous fiscal year.

4 Sec. 290. Any public advertisement for public assistance must
5 inform the public of the welfare fraud hotline operated by the
6 department.

7 Sec. 295. Not later than April 1 of the current fiscal year,
8 the department shall submit, to the standard report recipients, a
9 report on funds appropriated for the healthy moms, healthy babies
10 initiative. The report must include the budgeted amount, year-to-
11 date expenditures, remaining balance of appropriations, and the
12 percent of budget spent for each appropriation related to the
13 initiative. The report must also include information on how the
14 funds have assisted with meeting the goals and outcomes of the
15 initiative.

16
17 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

18 Sec. 301. From the funds appropriated in part 1 for child
19 welfare institute, the department shall train private child placing
20 agency staff in the pre-service training requirements for child
21 welfare caseworkers and supervisors. Private child placing agency
22 staff must be provided an opportunity to complete the training in a
23 virtual format at the staff's private child placing agency
24 facility. If a private child placing agency prefers a hybrid
25 training format that includes virtual and in-person instruction,
26 the training must be available to the private child placing agency
27 staff.

28 Sec. 302. (1) From the funds appropriated in part 1 for
29 property management, 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) A list of lease contracts, cost per contract, and lease beginning and end dates for each lease contract, held by the department in the previous fiscal year.

(b) A list of department-owned properties and maintenance and improvement expenditures, from all fund sources, for each property and expenditure in the previous fiscal year.

(c) The cost savings realized by consolidation, lease contract expiration, and department-owned property sales or transfers in the previous fiscal year.

(d) The planned consolidation, lease contract renewals and expirations, and department-owned property sales or transfers for the current fiscal year.

(2) From the funds appropriated in part 1 for property management, the department shall report by not later than September 30 to the standard report recipients on planned consolidation, lease contract renewals and expirations, and department-owned property sales or transfers to occur in the subsequent fiscal year.

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.

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



1 services under the full authority and responsibility of local
2 CMHSPs or PIHPs in accordance with the mental health code, 1974 PA
3 258, MCL 330.1001 to 330.2106, the Medicaid provider manual,
4 federal Medicaid waivers, and all other applicable federal law and
5 the law of this state.

6 Sec. 902. (1) From the funds appropriated in part 1, the
7 department shall make a final authorization to a CMHSP or PIHP on
8 the execution of a contract between the department and the CMHSP or
9 PIHP. The contract must contain an approved plan and budget and any
10 policy and procedure governing the obligations and responsibilities
11 of each party to the contract. Each contract with a CMHSP or PIHP
12 that the department is authorized to enter into under this
13 subsection must include a provision that the contract is not valid
14 unless the total dollar obligation for all of the contracts between
15 the department and the CMHSPs or PIHPs entered into under this
16 subsection for the current fiscal year does not exceed the amount
17 of money appropriated in part 1 for the contracts authorized under
18 this subsection.

19 (2) The department shall immediately submit a report to the
20 standard report recipients if either of the following occurs:

21 (a) The department enters into a new contract with a CMHSP or
22 PIHP that would affect a rate or expenditure.

23 (b) The department amends a contract that the department has
24 entered into with a CMHSP or PIHP that would affect a rate or
25 expenditure.

26 (3) The report required by subsection (2) must include
27 information about any changes to the contract and the change's
28 effects on rates and expenditures.

29 Sec. 904. (1) Not later than September 30 of the current



1 fiscal year, the department shall provide a report on the CMHSPs,
2 PIHPs, and designated regional entities for substance use disorder
3 prevention and treatment to the standard report recipients that
4 includes the information required by this section.

5 (2) The report required under subsection (1) must contain,
6 unless otherwise noted, information for each CMHSP, PIHP, and
7 designated regional entity for substance use disorder prevention
8 and treatment, and a statewide summary, as follows:

9 (a) A statewide summary of the demographic description of
10 service recipients that, minimally, includes reimbursement
11 eligibility, client population, age, ethnicity, housing
12 arrangements, and diagnosis.

13 (b) Per capita expenditures in total and by client population
14 group.

15 (c) A statewide summary of Medicaid-funded cost information
16 for the 3 diagnosis groups of adults with a mental illness,
17 children with a serious emotional disturbance, and individuals with
18 an intellectual or developmental disability. The statewide summary
19 must, minimally, include expenditures by service category for each
20 of the 3 diagnosis groups described in this subdivision and cases,
21 units, and cost of each specific service code index or health care
22 common procedure coding system code for each of the 3 diagnosis
23 groups.

24 (d) Financial information on non-Medicaid mental health
25 services by general fund cost reporting category.

26 (e) Information about access to each CMHSP, PIHP, and
27 designated regional entity for substance use disorder prevention
28 and treatment, that includes, but is not limited to, all of the
29 following:



1 (i) The number of individuals receiving requested services.

2 (ii) The number of individuals who requested services but did
3 not receive services.

4 (f) The number of second opinions requested under the mental
5 health code, 1974 PA 258, MCL 330.1001 to 330.2106, and the
6 determination of any appeals.

7 (g) Lapses and carryforwards during the previous fiscal year
8 for each CMHSP, PIHP, and designated regional entity for substance
9 use disorder prevention and treatment.

10 (h) Performance indicator information required to be submitted
11 to the department in the contracts with each CMHSP, PIHP, and
12 designated regional entity for substance use disorder prevention
13 and treatment.

14 (i) Administrative expenditures of each CMHSP, PIHP, and
15 designated regional entity for substance use disorder prevention
16 and treatment that include a breakout of the salary, benefits, and
17 pension of each executive-level staff, which includes, but is not
18 limited to, the director, chief executive, and chief operating
19 officer.

20 (3) The report required under subsection (1) must contain the
21 following information from the previous fiscal year on substance
22 use disorder prevention, education, and treatment programs:

23 (a) The expenditures stratified by department-designated
24 community mental health entity, by fund source, by subcontractor,
25 by population served, and by service type.

26 (b) The expenditures per state client, with data on the
27 distribution of expenditures reported using a histogram approach.

28 (c) The number of services provided by subcontractor and by
29 service type. Additionally, data on length of stay, referral



1 source, and participation in other state programs.

2 (d) The collections from other first- or third-party payers,
3 private donations, or other state or local programs, by department-
4 designated community mental health entity, by subcontractor, by
5 population served, and by service type.

6 (4) The department shall include the data reporting
7 requirements described in subsections (2) and (3) in the
8 department's annual contract with each CMHSP, PIHP, and designated
9 regional entity for substance use disorder prevention and
10 treatment.

11 (5) The department shall take all reasonable actions to ensure
12 that the data required are complete and consistent among all
13 CMHSPs, PIHPs, and designated regional entities for substance use
14 disorder prevention and treatment.

15 Sec. 907. (1) The department shall expend the amount
16 appropriated in part 1 for community substance use disorder
17 prevention, education, and treatment to coordinate care and
18 services provided to individuals with severe and persistent mental
19 illness and substance use disorder diagnoses.

20 (2) Each managing entity shall continue current efforts to
21 collaborate on the delivery of services to clients with mental
22 illness and substance use disorder diagnoses, with the goal of
23 providing services in an administratively efficient manner.

24 Sec. 909. From the funds appropriated in part 1 for health
25 homes, the department shall use available revenue from the
26 marihuana regulatory fund established in section 604 of the medical
27 marihuana facilities licensing act, 2016 PA 281, MCL 333.27604, to
28 improve physical health, expand access to substance use disorder
29 prevention and treatment services, and strengthen the existing



1 prevention, treatment, and recovery systems.

2 Sec. 910. The department shall ensure that substance use
3 disorder treatment is provided to applicants and recipients of
4 public assistance through the department who are required to obtain
5 substance use disorder treatment as a condition of eligibility for
6 public assistance.

7 Sec. 911. (1) The department shall ensure that a contract with
8 a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to
9 encourage the diversion of individuals with a serious mental
10 illness, serious emotional disturbance, or developmental disability
11 from possible jail incarceration, when appropriate.

12 (2) Each CMHSP or PIHP shall have jail diversion services and
13 shall work toward establishing working relationships with
14 representative staff of local law enforcement agencies, including
15 county prosecutors' offices, county sheriffs' offices, county
16 jails, municipal police agencies, municipal detention facilities,
17 and the courts. Written interagency agreements describing what
18 services each participating agency is prepared to commit to the
19 local jail diversion effort and the procedures to be used by local
20 law enforcement agencies to access mental health jail diversion
21 services are strongly encouraged.

22 Sec. 912. The department shall contract directly with a non-
23 Medicaid substance use disorder program not administered through a
24 PIHP, at an amount not less than the amount provided during the
25 fiscal year ending September 30, 2020, to provide non-Medicaid
26 substance use disorder services if the local coordinating agency or
27 the department confirms the program meets the standard of care
28 established by the department. The standard of care must include,
29 but is not limited to, using a medication assisted treatment



1 option.

2 Sec. 915. From the funds appropriated in part 1 for community
3 substance use disorder prevention, education, and treatment and
4 opioid response activities, the department shall, to the extent
5 possible, provide grants, pursuant to federal law, to local public
6 entities that provide substance use disorder services and to 1
7 private entity that has a statewide contract to provide community-
8 based substance use disorder services.

9 Sec. 916. From the funds appropriated in part 1 for behavioral
10 health program administration, the department shall allocate
11 \$1,500,000.00 as grants to nonprofit mental health clinics that
12 provide counseling services, accept clients regardless of their
13 ability to pay for services through sliding scale copayments and
14 volunteer services, and use fundraising to support their clinics.

15 Sec. 917. (1) From the funds appropriated in part 1 for opioid
16 response activities, the department shall allocate \$81,000,000.00
17 from the Michigan opioid healing and recovery fund created under
18 section 3 of the Michigan trust fund act, 2000 PA 489, MCL 12.253,
19 as follows:

20 (a) \$20,000,000.00 for housing developments.

21 (b) \$10,000,000.00 for peer supports.

22 (c) \$10,000,000.00 for job training for individuals in
23 recovery.

24 (d) \$10,000,000.00 to supplement grants to recovery community
25 organizations under section 978.

26 (e) \$10,000,000.00 for diversion programs.

27 (f) \$10,000,000.00 for deposit into a long-term endowment
28 fund.

29 (g) \$5,000,000.00 for start-up or new programming.



1 (h) \$2,000,000.00 for the opioid advisory commission to
2 complete a statewide evidence-based needs assessment required under
3 section 851 of the legislative council act, 1986 PA 268, MCL
4 4.1851.

5 (i) \$2,000,000.00 for transportation services.

6 (j) \$2,000,000.00 for law enforcement training.

7 (2) On a semiannual basis, the department shall submit to the
8 standard report recipients a report on all of the following:

9 (a) Total revenues deposited into and expenditures and
10 encumbrances from the Michigan opioid healing and recovery fund
11 since the creation of the fund.

12 (b) Revenues deposited into and expenditures and encumbrances
13 from the Michigan opioid healing and recovery fund during the
14 previous 6 months.

15 (c) Estimated revenues to be deposited into and the spending
16 plan for the Michigan opioid healing and recovery fund for the next
17 12 months.

18 Sec. 918. On a quarterly basis, providing monthly data, the
19 department shall submit a report to the standard report recipients
20 on the amount of funding paid to PIHPs to support the Medicaid
21 managed mental health care program. The report must include
22 information on the total paid to each PIHP, per capita rate paid
23 for each eligibility group for each PIHP, the number of cases in
24 each eligibility group for each PIHP, and a year-to-date summary of
25 eligibles and expenditures for the Medicaid managed mental health
26 care program.

27 Sec. 920. As part of the Medicaid rate-setting process for
28 behavioral health services, the department shall work with PIHP
29 network providers and actuaries to include, as part of the Medicaid



1 rate, state and federal wage and compensation increases that
2 directly impact staff who provide Medicaid-funded community living
3 supports, personal care services, respite services, skill-building
4 services, and other supports and services that the department
5 determines are similar.

6 Sec. 924. From the funds appropriated in part 1, for the
7 purposes of actuarially sound rate certification and approval for
8 Medicaid behavioral health managed care programs, the department
9 shall maintain a fee schedule for autism services reimbursement
10 rates for direct services. Expenditures used for rate setting shall
11 not exceed the rates identified in the fee schedule. The fee
12 schedule must include a rate for behavioral technicians that is not
13 less than \$66.00 per hour.

14 Sec. 928. Not later than April 1 of the current fiscal year,
15 the department shall report to the standard report recipients on
16 the lapse by PIHP from the previous fiscal year and the projected
17 lapse by PIHP in the current fiscal year.

18 Sec. 935. A county required under the mental health code, 1974
19 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a
20 CMHSP for mental health services rendered to residents in the
21 county's jurisdiction shall pay the matching funds in equal
22 installments on not less than a quarterly basis throughout the
23 fiscal year, with the first payment being made by October 1 of the
24 current fiscal year.

25 Sec. 940. (1) In accordance with section 236 of the mental
26 health code, 1974 PA 258, MCL 330.1236, the department shall review
27 expenditures for each CMHSP to identify any CMHSP with a projected
28 allocation surplus and to identify any CMHSP with a projected
29 allocation shortfall. The department shall encourage the board of a



1 CMHSP with a projected allocation surplus to concur with the
2 department's recommendation to reallocate the projected surplus to
3 a CMHSP with a projected allocation shortfall.

4 (2) A CMHSP that has its projected surplus reallocated during
5 the current fiscal year as described in subsection (1) is not
6 eligible for an additional funding reallocation during the
7 remainder of the current fiscal year, unless the CMHSP is
8 responding to a public health emergency as determined by the
9 department.

10 (3) A CMHSP shall report to the department on a proposed
11 reallocation described in this section at least 30 days before the
12 reallocation takes effect.

13 (4) The department shall notify the chairs of the
14 appropriation subcommittees on the department budget when a request
15 is made and when the department grants approval for a reallocation
16 described in subsection (1). Not later than February 1 of the
17 current fiscal year, the department shall submit a report on the
18 amount of funding reallocated in the previous fiscal year to the
19 standard report recipients.

20 Sec. 942. A CMHSP shall provide at least 30 days' notice
21 before reducing, terminating, or suspending a service provided by
22 the CMHSP to a CMHSP client, unless the service is authorized by a
23 physician and the service no longer meets established criteria for
24 medical necessity.

25 Sec. 960. (1) From the funds appropriated in part 1 for autism
26 services, the department shall continue to cover all Medicaid
27 autism services to Medicaid enrollees eligible for the services
28 that were covered on January 1, 2019.

29 (2) To restrain cost increases in the autism services line



1 item, the department shall do all of the following:

2 (a) Not later than March 1 of the current fiscal year, develop
3 and implement specific written guidance for standardization of
4 Medicaid PIHPs and CMHSPs autism spectrum disorder administrative
5 services, including, but not limited to, reporting requirements,
6 coding, and reciprocity of credentialing and training between PIHPs
7 and CMHSPs to reduce administrative duplication at the PIHP, CMHSP,
8 and service provider levels.

9 (b) Require consultation with the client's evaluation
10 diagnostician and PIHP to approve the client's ongoing therapy for
11 3 years, unless the client's evaluation diagnostician recommended
12 an evaluation before the 3 years or if a clinician on the treatment
13 team recommended an evaluation for the client before the third
14 year.

15 (c) Limit the authority to perform a diagnostic evaluation for
16 Medicaid autism services to qualified licensed practitioners as
17 determined by the department and CMHSPs.

18 (d) Allow and expand the utilization of telemedicine and
19 telepsychiatry to increase access to diagnostic evaluation
20 services.

21 (e) Coordinate with the department of insurance and financial
22 services on oversight for compliance with the Paul Wellstone and
23 Pete Domenici mental health parity and addiction equity act of
24 2008, Public Law 110-343, as it relates to autism spectrum disorder
25 services, to ensure appropriate cost sharing between public and
26 private payers.

27 (f) Require that Medicaid eligibility be confirmed through
28 prior evaluations conducted by qualified licensed practitioners as
29 determined by the department and CMHSPs.



1 (g) Maintain regular statewide provider trainings on autism
2 spectrum disorder standard clinical best practice guidelines for
3 treatment and diagnostic services.

4 (3) By March 1 of the current fiscal year, the department
5 shall submit a report to the standard report recipients on total
6 autism services spending broken down by PIHP and CMHSP for the
7 previous fiscal year and current fiscal year and total
8 administrative costs broken down by PIHP, CMHSP, and the type of
9 administrative cost for the previous fiscal year and current fiscal
10 year.

11 Sec. 962. For special projects involving high-need children or
12 adults, including the not guilty by reason of insanity population,
13 the department may contract directly with providers of services to
14 the children and adults described in this section.

15 Sec. 972. From the funds appropriated in part 1 for Michigan
16 crisis and access line, the department shall allocate not less than
17 \$9,386,400.00 of general fund/general purpose revenue and any
18 associated federal match or federal grant funding, including, but
19 not limited to, associated federal 988 grant funding for the mental
20 health telephone access line known as the Michigan crisis and
21 access line (MiCAL), to provide for both of the following in
22 accordance with section 165 of the mental health code, 1974 PA 258,
23 MCL 330.1165:

24 (a) Primary coverage in a region where a regional national
25 suicide prevention lifeline center does not provide coverage.

26 (b) Statewide secondary coverage.

27 Sec. 974. The department and a PIHP shall allow an individual
28 with an intellectual or developmental disability who receives
29 supports and services from a CMHSP to instead receive supports and



1 services from another provider if the individual is eligible and
2 qualified to receive supports and services from another provider.
3 Other providers may include, but are not limited to, MIChoice and
4 PACE.

5 Sec. 978. From the funds appropriated in part 1 for community
6 substance use disorder prevention, education, and treatment and
7 recovery community organizations, the department shall allocate
8 \$1,200,000.00 as grants for recovery community organizations in
9 accordance with section 273b of the mental health code, 1974 PA
10 258, MCL 330.1273b. A grant must be used to offer or expand
11 recovery support center services or recovery community center
12 services to individuals seeking long-term recovery from substance
13 use disorders.

14 Sec. 994. (1) Not later than January 1 of the current fiscal
15 year, the department shall seek, if necessary, federal approval
16 through either a waiver request or state plan amendment to allow a
17 CMHSP, PIHP, or subcontracting provider agency that is reviewed and
18 accredited by a national accrediting entity for behavioral health
19 care services to be considered in compliance with state program
20 review and audit requirements that are addressed and reviewed by
21 that national accrediting entity.

22 (2) Not later than April 1 of the current fiscal year, the
23 department shall report to the standard report recipients all of
24 the following:

25 (a) The status of the federal approval process required in
26 subsection (1).

27 (b) A list of each CMHSP, PIHP, and subcontracting provider
28 agency that is considered to be in compliance with state program
29 review and audit requirements under subsection (1).



1 (c) For each CMHSP, PIHP, or subcontracting provider agency
2 described in subdivision (b), both of the following:

3 (i) The state program review and audit requirements that the
4 CMHSP, PIHP, or subcontracting provider agency is considered to be
5 in compliance with.

6 (ii) The national accrediting entity that reviewed and
7 accredited the CMHSP, PIHP, or subcontracting provider agency.

8 (3) The department shall continue to comply with the laws of
9 this state and federal law and shall not initiate an action that
10 negatively impacts beneficiary safety. Any cost savings attributed
11 to this action must be reinvested back into services.

12 (4) As used in this section, "national accrediting entity"
13 means the Joint Commission, formerly known as the Joint Commission
14 on Accreditation of Healthcare Organizations; the Commission on
15 Accreditation of Rehabilitation Facilities; the Council on
16 Accreditation; the URAC, formerly known as the Utilization Review
17 Accreditation Commission; the National Committee for Quality
18 Assurance; or another appropriate entity, as approved by the
19 department.

20 Sec. 996. From the funds appropriated in part 1 for family
21 support subsidy, the department shall make monthly payments of
22 \$300.36 to a parent or legal guardian of a child approved for the
23 family support subsidy by a CMHSP.

24 Sec. 997. The department shall use population data from the
25 most recent federal data from the United States Census Bureau in
26 determining the distribution of substance use disorder block grant
27 funds.

28 Sec. 998. If the department decides to use census data to
29 distribute state general funds to CMHSPs, the department shall use



1 the most recent federal data from the United States Census Bureau.

2
3 **BEHAVIORAL HEALTH SERVICES**

4 Sec. 1001. Not later than May 15 of the current fiscal year,
5 each CMHSP shall submit a report to the department that identifies
6 populations being served by the CMHSP broken down by program
7 eligibility category. The report must also include the percentage
8 of the operational budget that is related to program eligibility
9 enrollment. Not later than June 30 of the current fiscal year, the
10 department shall submit the reports described in this section to
11 the standard report recipients.

12 Sec. 1002. (1) The funds appropriated in part 1 must not be
13 used by the department to expand the certified community behavioral
14 health clinic demonstration.

15 (2) From the funds appropriated in part 1 for CCBHC
16 administration, funding must be utilized to provide CCBHC outreach
17 services to encourage a CMHSP or an eligible organization located
18 in a county that does not already have a CCBHC to apply for CCBHC
19 certification.

20 Sec. 1003. The department shall notify the Community Mental
21 Health Association of Michigan when developing a policy or
22 procedure that will impact a PIHP or CMHSP.

23 Sec. 1004. The department shall submit a report to the
24 standard report recipients on any rebased formula changes to either
25 Medicaid behavioral health services or non-Medicaid mental health
26 services 90 days before the department implements the formula
27 change. The notification must include a table showing the changes
28 in funding allocation by PIHP for Medicaid behavioral health
29 services or by CMHSP for non-Medicaid mental health services.



1 Sec. 1005. (1) From the funds appropriated in part 1 for
2 health homes, the department shall maintain the number of
3 behavioral health homes and maintain the number of substance use
4 disorder health homes, in place by PIHP region as of September 30
5 of the previous fiscal year. The department may submit a request to
6 the senate and house of representatives appropriation committees to
7 expand the number of behavioral health homes and the number of
8 substance use disorder health homes in a PIHP region added after
9 October 1 of the current fiscal year.

10 (2) On a semiannual basis, the department shall submit a
11 report to the standard report recipients on the number of
12 individuals being served and expenditures incurred by each PIHP
13 region by site.

14 Sec. 1006. (1) From the funds appropriated in part 1 for
15 certified community behavioral health clinics, not later than May 1
16 of the current fiscal year the department shall submit to the
17 standard report recipients an outcomes report for CCBHCs during the
18 previous fiscal year that includes both statewide and CCBHC site-
19 specific information on all of the following:

20 (a) The total number of distinct individuals served by the
21 CCBHCs.

22 (b) The percentage of individuals served by the CCBHCs that
23 were Medicaid recipients.

24 (c) The percentage of individuals served by the CCBHCs that
25 were not Medicaid recipients.

26 (d) The total number of CCBHC daily visits.

27 (e) Total number of CCBHC services provided, broken down by
28 the 9 core CCBHC services.

29 (f) Total expenditures from base and supplemental payments.



1 (g) Staffing and staff vacancy levels of the CCBHCs.

2 (h) The amount of prospective payment system rates for each
3 CCBHC over the entire demonstration period allocated across the 9
4 service types.

5 (i) The total expenditures by CCBHC in the previous fiscal
6 year.

7 (j) The total cost factors and implications in interpreting
8 how CCBHCs deliver care over the course of the demonstration
9 period.

10 (k) The comparison of costs for a random sample of enrollees
11 between care provided by a CCBHC provider and a Medicaid provider
12 that is not a CCBHC. The sample must include participants known to
13 have received services at CCBHC providers and Medicaid providers
14 that are not CCBHCs.

15 (2) From the funds appropriated in part 1 for certified
16 community behavioral health clinics, the department shall submit
17 the CCBHC cost efficiency evaluation to the standard report
18 recipients not later than 7 business days after the department's
19 receipt of the final information required from the relevant
20 contractors.

21 Sec. 1008. (1) A PIHP and CMHSP shall do all of the following:

22 (a) Work to reduce administration costs by ensuring that PIHP
23 and CMHSP responsible functions are efficient in allowing optimal
24 transition of dollars to the direct services considered most
25 effective in assisting individuals served. Any consolidation of
26 administrative functions must demonstrate, by independent analysis,
27 a reduction in dollars spent on administration resulting in greater
28 dollars spent on direct services. Savings resulting from increased
29 efficiencies must not be applied to PIHP and CMHSP net assets,



1 internal service fund increases, building costs, increases in the
2 number of PIHP and CMHSP personnel, or other areas not directly
3 related to the delivery of improved services.

4 (b) Take an active role in managing mental health care by
5 ensuring consistent and high-quality service delivery throughout
6 its network and promote a conflict-free care management
7 environment.

8 (c) Ensure that direct service rate variances are related to
9 the level of need or other quantifiable measures to ensure that the
10 most money possible reaches direct services.

11 (d) Whenever possible, promote fair and adequate direct care
12 reimbursement, including, but not limited to, fair wages for direct
13 service workers.

14 (2) Not later than March 1 of the current fiscal year, the
15 department shall submit a report to the standard report recipients
16 on any actual reduction of administrative costs over the prior 2
17 fiscal years.

18 Sec. 1009. (1) From the funds appropriated in part 1, the
19 department shall continue the request for proposal process for
20 PIHPs into the current fiscal year. The request for proposal
21 process for PIHPs must result in a simplified, workable PIHP system
22 that improves behavioral health outcomes and reduces costs. The
23 department shall include at least all of the following factors when
24 selecting a PIHP through the request for proposal process:

25 (a) Improved behavioral health outcomes.

26 (b) Conflict of interest provisions.

27 (c) Uniform contractual and benefit standards.

28 (d) Increased accountability and transparency for payers and
29 providers.



1 (e) Reduced administrative overhead costs.

2 (2) Not later than April 1 of the current fiscal year, the
3 department shall submit a report to the standard report recipients
4 on the process and rationale the department and the department of
5 technology, management, and budget used to consider each request
6 for proposal submission for the new PIHP contracts.

7 Sec. 1010. (1) The department shall use the funds appropriated
8 in part 1 for behavioral health community supports and services to
9 reduce waiting lists at state-operated hospitals and centers
10 through cost-effective community-based and residential services,
11 including, but not limited to, assertive community treatment,
12 forensic assertive community treatment, crisis stabilization units
13 in accordance with chapter 9A of the mental health code, 1974 PA
14 258, MCL 330.1971 to 330.1979, and psychiatric residential
15 treatment facilities in accordance with section 137a of the mental
16 health code, 1974 PA 258, MCL 330.1137a.

17 (2) From the funds appropriated in part 1 for behavioral
18 health community supports and services, the department shall
19 allocate \$30,450,000.00 to reimburse private providers for
20 intensive psychiatric treatments and services that are provided
21 outside of state-operated hospitals and centers and for support
22 efforts related to overseeing community-based programs placement.

23 (3) If a private provider has an existing wait list for
24 intensive psychiatric treatments and services, a reimbursement to
25 the private provider under this section must not be conditioned on
26 the private provider giving wait-list priority to individuals
27 placed with funds appropriated in this section.

28 (4) Not later than March 1 of the current fiscal year, the
29 department shall submit a report to the standard report recipients



1 on all of the following:

2 (a) The types of community supports and services purchased.

3 (b) The quantity, measured by days or other relevant unit of
4 service, of each community support and service purchased.

5 (c) The quantifiable impact of the purchase of community
6 supports and services, including the number of individuals served,
7 the number of successful discharges, and the number of re-
8 escalations to either the discharging entity or a state psychiatric
9 hospital.

10 Sec. 1014. (1) From the funds appropriated in part 1 to
11 agencies providing physical and behavioral health services to
12 multicultural populations, the department shall award grants in
13 accordance with the requirements of subsections (2) and (3). This
14 state is not liable for any spending above the contract amount. The
15 department shall not release funds until reporting requirements
16 under section 1014 of article 6 of 2024 PA 121 are satisfied.

17 (2) The department shall require each contractor described in
18 subsection (1) that receives greater than \$1,000,000.00 in state
19 grant funding to comply with performance-related metrics to
20 maintain their eligibility for funding. The performance-related
21 metrics shall include, but not be limited to, all of the following:

22 (a) Each contractor or subcontractor shall have accreditations
23 that attest to their competency and effectiveness as behavioral
24 health and social service agencies.

25 (b) Each contractor or subcontractor shall have a mission that
26 is consistent with the purpose of the multicultural agency.

27 (c) Each contractor shall validate that any subcontractors
28 utilized within these appropriations share the same mission as the
29 lead agency receiving funding.



1 (d) Each contractor or subcontractor shall demonstrate cost-
2 effectiveness.

3 (e) Each contractor or subcontractor shall ensure their
4 ability to leverage private dollars to strengthen and maximize
5 service provision.

6 (f) Each contractor or subcontractor shall provide timely and
7 accurate reports regarding the number of clients served, units of
8 service provision, and ability to meet their stated goals.

9 (3) The department shall require each contractor described in
10 subsection (1) to ensure that the funds appropriated in this
11 section are only used on proven or established programs.

12 (4) The department shall require an annual report from the
13 contractors described in subsection (2). The annual report, due 60
14 days following the end of the contract period, must include
15 specific information on services and programs provided, the client
16 base to which the services and programs were provided, information
17 on any wraparound services provided, and the expenditures for those
18 services. Not later than February 1 of the current fiscal year, the
19 department must submit the annual reports to the standard report
20 recipients.

21 Sec. 1031. (1) The department shall not expend the funds
22 appropriated in part 1 to enter into any contract with a Medicaid
23 managed care organization of behavioral health services unless the
24 Medicaid managed care organization agrees to do all of the
25 following:

26 (a) Continue the direct care wage increase funded at \$3.40 per
27 hour for the services noted in the department's Medicaid provider
28 letter L 21-76 under the Medicaid managed care organization's
29 relevant program.



1 (b) Ensure, to the greatest extent possible, that the full
2 amount of funds appropriated for direct care worker wages, except
3 for costs incurred by the employer, including payroll taxes, is
4 provided to direct care workers through maintained increased wages.

5 (c) Permit a direct care worker to elect, in writing or
6 electronically, to not receive the wage increase provided in this
7 section.

8 (2) Not later than March 1 of the current fiscal year, the
9 department shall submit a report to the standard report recipients
10 that includes the following information by program and provider
11 type for the previous fiscal year:

12 (a) Hours of service that qualified for the direct care worker
13 wage increase.

14 (b) The aggregate increase in wages attributable to the
15 funding appropriated in part 1.

16 (c) A comparison of the projected increase included in the
17 capitation rates and the reported amount expended on the wage
18 increase.

19 Sec. 1032. For behavioral health services provided through
20 managed care or the fee-for-service program, the department shall
21 require, for the nonfacility component of the reimbursement rate,
22 at least the same reimbursement for that service, if that service
23 is provided through telemedicine, as if the service involved face-
24 to-face contact between the health care professional and the
25 patient.

26 Sec. 1033. In an effort to reduce administrative overhead
27 costs, the department and contracted managed care organizations
28 shall reduce direct care agency rates by \$4.56 per hour. The
29 department and contracted managed care organizations are prohibited



1 from reducing the direct care wages paid through agencies as a
2 result of the agency rate reduction in this section.

3 Sec. 1034. (1) In order to be eligible for performance
4 incentives funded in part 1, PIHPs must verify, on a quarterly
5 basis, to the department and to the standard report recipients that
6 every provider within the PIHP's provider network receives not less
7 than the applicable reimbursement rates or fees required in
8 sections 924 and 1031 of this part. The verification under this
9 subsection must provide actual claims and utilization data.

10 (2) The office of inspector general shall audit the claims and
11 utilization data provided in this section. If the office of
12 inspector general audit determines that a PIHP reimburses any
13 provider within that PIHP's provider network at a rate less than
14 the applicable reimbursement rates or fees required in sections 924
15 and 1031 of this part, the department shall notify that PIHP that
16 it is not eligible for performance incentives funded in part 1. Not
17 later than 10 days after a notification to a PIHP under this
18 subsection, the department shall notify the standard report
19 recipients that the PIHP is not eligible for performance incentives
20 funded in part 1.

21
22 **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

23 Sec. 1051. The department shall continue a revenue recapture
24 project to generate additional revenues from third parties related
25 to cases that have been closed or are inactive. A portion of
26 revenues collected through the project's efforts may be used for
27 departmental costs and contractual fees associated with retroactive
28 collections under the project and to improve ongoing departmental
29 reimbursement management functions.



1 Sec. 1052. The department shall use gifts and bequests
2 received for patient living and treatment environments for
3 additional private funds to provide specific enhancements for
4 individuals residing at state-operated facilities. The department
5 shall use the gifts and bequests consistent with the stipulation of
6 the donor. The department shall use gift and bequest donations
7 within 3 years unless otherwise stipulated by the donor.

8 Sec. 1055. (1) The department shall not implement a closure or
9 consolidation of a state hospital or agency, until each CMHSP or
10 PIHP affected by the closure or consolidation has programs and
11 services in place for the individuals currently in the hospital or
12 agency that is to be closed or consolidated, and has a plan for
13 providing services to the individuals who would have been admitted
14 to the hospital or agency.

15 (2) A closure or consolidation is dependent on adequate
16 department-approved CMHSP and PIHP plans that include a discharge
17 and aftercare plan for each individual currently in a hospital
18 described in subsection (1). A discharge and aftercare plan must
19 address an individual's housing needs. A homeless shelter or
20 similar temporary shelter arrangement is inadequate to meet an
21 individual's housing needs.

22 (3) Four months after a closure is certified under section
23 19(6) of the state employees' retirement act, 1943 PA 240, MCL
24 38.19, the department shall provide a closure plan to the standard
25 report recipients.

26 (4) On the closure of a hospital or agency and after
27 transitional costs have been paid, the remaining balances of funds
28 appropriated for the hospital or agency must be transferred to
29 CMHSPs or PIHPs responsible for providing services for individuals



1 previously served by the hospital or agency.

2 Sec. 1056. The department may collect revenue for patient
3 reimbursement from first- and third-party payers, including
4 Medicaid and local county CMHSP payers, to cover the cost of
5 patient placement in state hospitals. The department may adjust
6 financing sources for patient reimbursement based on actual
7 revenues earned. If the revenue collected exceeds current year
8 expenditures, the revenue may be carried forward with approval of
9 the state budget director. The department shall use the revenue
10 carried forward as a first source of funds in the subsequent year.

11 Sec. 1058. Effective October 1 of the current fiscal year, the
12 department, in consultation with the department of technology,
13 management, and budget, may maintain a bid process to identify 1 or
14 more private contractors to provide food and custodial services for
15 the administrative areas at a state hospital identified by the
16 department as capable of generating savings through the outsourcing
17 of food and custodial services.

18 Sec. 1059. (1) The department shall identify specific outcomes
19 and performance measures for state-operated hospitals. Unless
20 otherwise specified, the outcomes and performance measures must be
21 calculated on an average monthly basis from the previous calendar
22 year, including, but not limited to, the following:

23 (a) The average wait time from the time of the receipt of a
24 court order for the treatment of an individual who is determined
25 incompetent to stand trial until the individual's admission to the
26 center for forensic psychiatry or other state-operated psychiatric
27 hospital.

28 (b) The average number of individuals determined not guilty by
29 reason of insanity by an order of the court who, on the first day



1 of each month, are waiting to receive admission into the center for
2 forensic psychiatry or other state-operated psychiatric hospital.

3 (c) The average number of adults who, on the first day of each
4 month, are waiting to receive admission into another state-operated
5 hospital through the civil admissions process.

6 (d) The average number of children who, on the first day of
7 each month, are waiting to receive admission into another state-
8 operated hospital through the civil admissions process.

9 (e) The average wait time for an adult who is awaiting
10 admission into another state-operated hospital through the civil
11 admissions process.

12 (f) The average wait time for a child who is awaiting
13 admission into another state-operated hospital through the civil
14 admissions process.

15 (g) The number of individuals determined not guilty by reason
16 of insanity or incompetent to stand trial by an order of the court
17 that have been determined to be ready for discharge to the
18 community, and the average wait time between being determined to be
19 ready for discharge to the community and actual community
20 placement.

21 (h) The number of adults admitted through the civil admission
22 process that have been determined to be ready for discharge to the
23 community, and the average wait time between being determined to be
24 ready for discharge to the community and actual community
25 placement.

26 (i) The number of children admitted through the civil
27 admission process that have been determined to be ready for
28 discharge to the community, and the average wait time between being
29 determined to be ready for discharge to the community and actual



1 community placement.

2 (j) The most recent 12-month total number of individuals
3 determined not guilty by reason of insanity by an order of the
4 court ordering the individual to be admitted into the center for
5 forensic psychiatry or other state-operated psychiatric hospital.

6 (k) The most recent 12-month total number of adults requested
7 to be admitted to a state-operated hospital through the civil
8 admissions process.

9 (l) The most recent 12-month total number of children requested
10 to be admitted to a state-operated hospital through the civil
11 admissions process.

12 (m) The number of individuals determined not guilty by reason
13 of insanity by an order of the court that were removed from the
14 admissions waiting list and the reason for the removal from the
15 admissions waiting list.

16 (n) The number of adults awaiting admission through the civil
17 admission process removed from the admission waiting list and the
18 reason for the removal from the admission waiting list.

19 (o) The number of children awaiting admission through the
20 civil admission process removed from the admission waiting list and
21 the reason for the removal from the admission waiting list.

22 (p) The number of individuals determined not guilty by reason
23 of insanity by an order of the court and not admitted into the
24 center for forensic psychiatry or other state-operated hospital,
25 and the rationale for the individual not being admitted.

26 (q) The number of adults not admitted into the other state-
27 operated hospitals through the civil admissions process and the
28 rationale for the individual not being admitted.

29 (r) The number of children not admitted into a state-operated



1 hospital through the civil admission process and the rationale for
2 the individual not being admitted.

3 (2) Not later than April 1 of the current fiscal year, the
4 department shall submit a report to the standard report recipients
5 of this part on the outcomes and performance measures required
6 under subsection (1).

7 Sec. 1060. Not later than March 1 of the current fiscal year,
8 the department shall submit a report on mandatory overtime, staff
9 turnover, and staff retention at the state psychiatric hospitals to
10 the standard report recipients. The report must include, but is not
11 limited to, the following:

12 (a) The number of direct care and clinical staff positions
13 that are currently vacant by hospital, and how that number compares
14 to the number of vacancies during the previous fiscal year.

15 (b) A breakdown of voluntary and mandatory overtime hours
16 worked by position and by hospital, and how that breakdown compares
17 to the breakdown of voluntary and mandatory overtime hours during
18 the previous fiscal year.

19 (c) The ranges of wages paid by position and by hospital, and
20 how the ranges of wages paid compare to wages paid during the
21 previous fiscal year.

22 Sec. 1061. (1) On a semiannual basis, the department shall
23 report to the standard report recipients a status update on the
24 construction of the new state psychiatric hospital that will house
25 both children and adults. The report must include, but is not
26 limited to, an estimated timeline for completion and any obstacles
27 that have caused a delay in construction progress.

28 (2) Not later than March 1 of the current fiscal year, the
29 department shall report to the standard report recipients a



1 proposed transition plan for the transfer of children and adults
2 currently residing at the Walter P. Reuther Psychiatric Hospital to
3 the newly constructed state psychiatric hospital. Additionally, the
4 report must include a plan for either the future use or the
5 demolition of the Walter P. Reuther Psychiatric Hospital, and an
6 estimated cost for both a plan for a future use and a plan for
7 demolition of Walter P. Reuther Psychiatric Hospital.

8 Sec. 1063. (1) From the funds appropriated in part 1 for
9 southeast Michigan state psychiatric hospital and Walter P. Reuther
10 - psychiatric hospital - adult, children and adolescents, the
11 department shall maintain a psychiatric transitional unit and
12 children's transition support team. The unit and support team
13 described in this subsection shall augment the continuum of
14 behavioral health services for high-need youth and provide
15 additional continuity of care and transition into supportive
16 community-based services.

17 (2) The outcome and performance measures for the unit and
18 support team described in subsection (1) include, but are not
19 limited to, the following:

20 (a) The rate of rehospitalization for youth served through the
21 unit or support team at 30 and 180 days.

22 (b) The measured change in the Michigan Child and Adolescent
23 Needs and Strength tool for youth and families served through the
24 unit or support team.

25 26 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

27 Sec. 1360. From the funds appropriated in part 1, the
28 department may do 1 or more of the following:

29 (a) Provide special formulas for eligible individuals with



1 specified metabolic and allergic disorders.

2 (b) Provide medical care and treatment to eligible individuals
3 with cystic fibrosis who are 26 years of age or older.

4 (c) Provide medical care and treatment to eligible individuals
5 with hereditary coagulation defects, commonly known as hemophilia,
6 who are 26 years of age or older.

7 (d) Provide human growth hormone to eligible individuals.

8 (e) Provide mental health care to eligible individuals for
9 mental health needs that result from, or are a symptom of, the
10 individual's qualifying medical condition.

11 (f) Provide medical care and treatment to eligible individuals
12 with sickle cell disease who are 26 years of age or older.

13 Sec. 1361. From the funds appropriated in part 1 for medical
14 care and treatment, the department may spend the funds to continue
15 developing and expanding telemedicine capacity to allow families
16 with children in the children's special health care services
17 program to access specialty providers more readily and in a more
18 timely manner. The department may spend funds to support chronic
19 complex care management of children enrolled in the children's
20 special health care services program to minimize hospitalizations
21 and reduce costs to the program while improving outcomes and
22 quality of life. As used in this section, "children's special
23 health care services program" or "program" means the program
24 established under section 5815 of the public health code, 1978 PA
25 368, MCL 333.5815.

26
27 **HEALTH AND AGING SERVICES ADMINISTRATION**

28 Sec. 1505. Not later than March 1 of the current fiscal year,
29 the department shall submit a report to the standard report



1 recipients on the actual reimbursement savings and cost offsets
2 that have resulted from the funds appropriated in part 1 for the
3 office of inspector general and third-party liability efforts in
4 the previous fiscal year.

5 Sec. 1507. From the funds appropriated in part 1 for office of
6 inspector general, the inspector general shall audit and recoup
7 inappropriate or fraudulent payments from Medicaid managed care
8 organizations to health care providers. Unless authorized by
9 federal law or a law of this state, the department shall not fine,
10 temporarily halt operations of, disenroll as a Medicaid provider,
11 or terminate a managed care organization or health care provider
12 from providing services due to the discovery of an inappropriate
13 payment found during the course of an audit.

14 Sec. 1512. From the funds appropriated in part 1, the
15 department shall maintain the Medicaid encounter quality initiative
16 report to separate nonclinical administrative costs from actual
17 claims and encounter costs.

18 Sec. 1518. The department shall coordinate with the department
19 of licensing and regulatory affairs to ensure that, on the issuance
20 of an order suspending the license of an adult foster care
21 facility, home for the aged, or nursing home, the department of
22 licensing and regulatory affairs provides a notice to the
23 department, to the house and senate appropriations subcommittees on
24 the department budget, and to the members of the house of
25 representatives and senate that represent the legislative districts
26 of the county in which the adult foster care facility, home for the
27 aged, or nursing home is located.

28
29 **HEALTH SERVICES**



1 Sec. 1601. The department shall use the cost of remedial
2 services incurred by residents of licensed adult foster care
3 facilities and licensed homes for the aged to determine financial
4 eligibility for the medically needy. As used in this section,
5 "remedial services" includes, but is not limited to, basic self-
6 care and rehabilitation training for a resident.

7 Sec. 1605. The protected income level for Medicaid coverage
8 determined under section 106(1)(b)(iii) of the social welfare act,
9 1939 PA 280, MCL 400.106, is 100% of the related public assistance
10 standard.

11 Sec. 1606. For the purpose of guardian and conservator
12 charges, the department may deduct up to \$83.00 per month as an
13 allowable expense against a recipient's income when determining
14 Medicaid eligibility and patient pay amounts.

15 Sec. 1607. (1) The department shall immediately presume that
16 an applicant for Medicaid whose qualifying condition is pregnancy
17 is eligible for Medicaid coverage, unless the preponderance of
18 evidence in the applicant's application indicates otherwise. The
19 applicant who is qualified as described in this subsection is
20 allowed to select or remain with the Medicaid participating
21 obstetrician of the applicant's choice.

22 (2) Each qualifying applicant is entitled to receive all
23 medically necessary obstetrical and prenatal care without
24 preauthorization from a health plan. All claims submitted for
25 payment for obstetrical and prenatal care must be paid at the
26 Medicaid fee-for-service rate if a contract does not exist between
27 the Medicaid participating obstetrical or prenatal care provider
28 and the managed care plan. The applicant must receive a listing of
29 Medicaid physicians and managed care plans in the immediate



1 vicinity of the applicant's residence.

2 (3) If an applicant, presumed to be eligible for Medicaid
3 under subsection (1), is subsequently found to be ineligible, a
4 Medicaid physician or managed care plan that has been providing
5 pregnancy services to the applicant is entitled to reimbursement
6 for the services until the Medicaid physician or managed care plan
7 is notified by the department that the applicant was found to be
8 ineligible for Medicaid.

9 (4) If the preponderance of evidence in an application under
10 subsection (1) indicates that the applicant is not eligible for
11 Medicaid, the department shall refer the applicant to the nearest
12 public health clinic or similar entity as a potential source for
13 receiving pregnancy-related services.

14 (5) The department shall develop an enrollment process for
15 applicants covered under this section that facilitates the
16 selection of a managed care plan at the time of application.

17 (6) The department shall require that Medicaid managed care
18 plans enroll women whose qualifying condition for Medicaid is
19 pregnancy.

20 (7) The department shall encourage physicians to provide an
21 applicant whose qualifying condition for Medicaid is pregnancy with
22 a referral to a Medicaid participating dentist at the applicant's
23 first pregnancy-related appointment.

24 Sec. 1608. (1) The department shall comply with all residency
25 and eligibility provisions of the one big beautiful bill act,
26 Public Law 119-21, when determining eligibility for medical
27 assistance.

28 (2) When determining Healthy Michigan plan eligibility for an
29 applicant who is a new resident of this state, the department shall



1 apply the stricter of the community engagement requirements policy
2 on the review period for compliance verification in place for this
3 state or the jurisdiction in which the new resident lived
4 immediately preceding relocating to this state.

5 (3) As used in this section:

6 (a) "New resident" means any individual who is a citizen of
7 the United States, or federally authorized resident of the United
8 States, whose legal residence was located in another state, the
9 District of Columbia, or territory of the United States within the
10 12 months preceding application submission.

11 (b) "Review period for compliance verification" means the
12 number of consecutive months assessed for federal community
13 engagement requirement eligibility verification in place for this
14 state and the jurisdiction covering the previous legal residence.

15 Sec. 1611. (1) For care provided to Medicaid recipients with
16 other third-party sources of payment, Medicaid reimbursement shall
17 not exceed, in combination with such other resources, including
18 Medicare, those amounts established for Medicaid-only patients. The
19 Medicaid payment rate shall be accepted as payment in full. Other
20 than an approved Medicaid copayment, no portion of a provider's
21 charge shall be billed to the recipient or any person acting on
22 behalf of the recipient. This section does not affect the level of
23 payment from a third-party source other than the Medicaid program.
24 The department shall require a nonenrolled provider to accept
25 Medicaid payments as payment in full.

26 (2) Notwithstanding subsection (1), if a hospital service is
27 provided to a dual Medicare/Medicaid recipient with only Medicare
28 part B coverage, the Medicaid reimbursement must equal, when
29 combined with a payment for Medicare or other third-party source of



1 payment, the amount established for a Medicaid-only patient,
2 including a capital payment.

3 Sec. 1615. Not later than January 1, 2026, the department
4 shall require compliance with community engagement activities as a
5 requirement for enrollment and redetermination for the Healthy
6 Michigan plan.

7 Sec. 1620. (1) If a Medicaid claim is a fee-for-service
8 Medicaid claim, the professional dispensing fee for a drug that is
9 listed as a medication on the Michigan pharmaceutical products list
10 is \$20.02 or the pharmacy's submitted dispensing fee, whichever is
11 less.

12 (2) If a Medicaid claim is a fee-for-service Medicaid claim,
13 the professional dispensing fee for a drug that is not listed as a
14 specialty medication on the Michigan pharmaceutical products list
15 is as follows:

16 (a) If the drug is indicated as preferred on the department's
17 preferred drug list, \$10.80 or the pharmacy's submitted dispensing
18 fee, whichever is less.

19 (b) If the drug is not on the department's preferred drug
20 list, \$10.64 or the pharmacy's submitted dispensing fee, whichever
21 is less.

22 (c) If the drug is indicated as nonpreferred on the
23 department's preferred drug list, \$9.00 or the pharmacy's submitted
24 dispensing fee, whichever is less.

25 Sec. 1626. (1) Not later than January 15 of the current fiscal
26 year, each pharmacy benefit manager that receives reimbursements
27 directly, through a department-administered fee-for-service
28 contract, or through a Medicaid health plan, from the funds
29 appropriated in part 1 for health services must submit all of the



1 following information to the department for the previous fiscal
2 year:

3 (a) The total number of prescriptions that were dispensed.

4 (b) The aggregate fiscal year paid pharmacy claims repriced
5 using the wholesale acquisition cost for each drug on its
6 formulary.

7 (c) The aggregate amount of rebates, discounts, and price
8 concessions that the pharmacy benefit manager received for each
9 drug on its formulary. The aggregate amount of rebates must include
10 any utilization discounts the pharmacy benefit manager received
11 from a manufacturer.

12 (d) The aggregate amount of administrative fees that the
13 pharmacy benefit manager received from all pharmaceutical
14 manufacturers.

15 (e) The aggregate amount identified in subdivisions (b) and
16 (c) that were retained by the pharmacy benefit manager and did not
17 pass through to the department or to the Medicaid health plan.

18 (f) The aggregate amount of reimbursements the pharmacy
19 benefit manager paid to contracting pharmacies.

20 (g) Any other information considered necessary by the
21 department.

22 (2) Not later than March 1 of the current fiscal year, the
23 department shall submit a report including the information provided
24 under subsection (1) to the standard report recipients.

25 (3) Any nonaggregated information submitted under this section
26 is confidential and must not be disclosed to any person by the
27 department. The information described in this subsection is not a
28 public record of the department.

29 Sec. 1627. The department shall review services provided under



1 the adult dental program and reduce those services to align with
2 appropriations for both managed care and fee-for-service. Service
3 reductions may include, but are not limited to, providing for 1
4 cleaning in a 12-month period.

5 Sec. 1629. The department shall utilize maximum allowable cost
6 pricing for generic drugs that is based on wholesaler pricing to
7 providers. The wholesaler pricing must be based on the price
8 available from at least 2 wholesalers who deliver drugs in this
9 state.

10 Sec. 1630. Not later than April 1 of the current fiscal year,
11 from the funds appropriated in part 1 for Medicaid dental services
12 and Healthy Kids Dental, the department shall submit a report to
13 the standard report recipients on the dental service benefit. The
14 report must cover all of the following areas:

15 (a) Information on the implementation of the Adult Medicaid
16 dental benefit redesign including all of the following information:

17 (i) The number of dental providers, by Medicaid health plan in
18 this state, who provided 1 or more Medicaid dental services in the
19 fiscal year ending September 30, 2022, and the number of additional
20 providers who were added in the previous fiscal year, with a
21 delineation in the reported numbers based on the average payment
22 per visit and before and after the implementation of the Adult
23 Medicaid dental benefit redesign.

24 (ii) The status of enhanced care coordination.

25 (iii) The array of covered dental benefits and services before
26 the Adult Medicaid dental benefit redesign and how the available
27 benefits and services changed or expanded after the Adult Medicaid
28 dental benefit redesign.

29 (b) Information on the Healthy Kids Dental program including



1 all of the following information:

2 (i) The number of children enrolled in the Healthy Kids Dental
3 program who visited the dentist in the previous fiscal year broken
4 down by dental benefit manager.

5 (ii) The number of dentists who accept payment from the Healthy
6 Kids Dental program broken down by dental benefit manager.

7 (iii) The annual change in dental utilization of children
8 enrolled in the Healthy Kids Dental program broken down by dental
9 benefit manager.

10 (iv) Service expenditures for the Healthy Kids Dental program
11 broken down by dental benefit manager.

12 (v) Administrative expenditures for the Healthy Kids Dental
13 program broken down by dental benefit manager.

14 Sec. 1631. (1) The department shall require copayments on
15 dental, podiatric, and vision services provided to Medicaid
16 recipients, except as prohibited by federal law or a law of this
17 state.

18 (2) Except as otherwise prohibited by federal law or a law of
19 this state, the department shall require Medicaid recipients to pay
20 the following copayments:

21 (a) Two dollars for a physician office visit.

22 (b) Three dollars for a hospital emergency room visit.

23 (c) Fifty dollars for the first day of an inpatient hospital
24 stay.

25 (d) Two dollars for an outpatient hospital visit.

26 (e) One dollar for a generic drug or any drug indicated as
27 preferred on the department's preferred drug list and \$3.00 for a
28 brand-name drug not indicated as preferred on the department's
29 preferred drug list.



1 Sec. 1641. An institutional provider that is required to
2 submit a cost report under the Medicaid program shall submit cost
3 reports completed in full not more than 7 months after the end of
4 the institutional provider's fiscal year.

5 Sec. 1642. Contracted vendors and organizations with contracts
6 negotiated as part of a collective bargaining agreement that employ
7 direct care workers and receive reimbursements from the funds
8 appropriated in part 1 shall, as part of their contractual
9 agreements, not exceed the established earned sick time provisions
10 under the earned sick time act, 2018 PA 338, MCL 408.961 to
11 408.974.

12 Sec. 1643. (1) The department shall not expend the funds
13 appropriated in part 1 to enter into any contract with a Medicaid
14 managed care organization of MI Choice Waiver or MI Health Link
15 unless the Medicaid managed care organization agrees to do all of
16 the following:

17 (a) Continue the direct care wage increase funded at \$3.40 per
18 hour for the services noted in the department's Medicaid provider
19 letter L 21-76 under the Medicaid managed care organization's
20 relevant program.

21 (b) Ensure, to the greatest extent possible, that the full
22 amount of funds appropriated for direct care worker wages, except
23 for costs incurred by the employer, including payroll taxes, is
24 provided to direct care workers through maintained increased wages.

25 (c) Permit a direct care worker to elect, in writing or
26 electronically, to not receive the wage increase provided in this
27 section.

28 (2) Not later than March 1 of the current fiscal year, the
29 department shall submit a report to the standard report recipients



1 that includes the following information by program and provider
2 type for the previous fiscal year:

3 (a) Hours of service that qualified for the direct care worker
4 wage increase.

5 (b) The aggregate increase in wages attributable to the
6 funding appropriated in part 1.

7 (c) A comparison of the projected increase included in the
8 capitation rates and the reported amount expended on the wage
9 increase.

10 Sec. 1644. In an effort to reduce administrative overhead
11 costs, the department and contracted managed care organizations
12 shall reduce direct care agency rates by \$4.56 per hour. The
13 department and contracted managed care organizations are prohibited
14 from reducing the direct care wages paid through agencies as a
15 result of the agency rate reduction in this section.

16 Sec. 1645. (1) From the funds appropriated in part 1, the
17 department shall maintain the wages of eligible nonclinical staff
18 employed by skilled nursing facilities. The funding must include
19 all costs incurred by the employer, including payroll taxes, due to
20 prior wage increases.

21 (2) The nonclinical staff eligible for the wages described in
22 subsection (1) are those whose costs are reported in the following
23 job classifications in nursing facility institutional cost reports
24 shared with the department:

25 (a) Other housekeeping.

26 (b) Other maintenance worker.

27 (c) Other plant operations.

28 (d) Other laundry.

29 (e) Dining room assistants.



1 (f) Other dietary workers.

2 (g) Other medical records.

3 (h) Other social services.

4 (i) Other diversion therapy.

5 (j) Beauty and barber.

6 (k) Gift, flower, coffee, and canteen worker.

7 Sec. 1646. From the funds appropriated in part 1, the
8 department shall maintain the Medicaid reimbursement rates for
9 orthotic and prosthetic providers in place during the prior fiscal
10 year.

11 Sec. 1657. (1) The department shall not make reimbursement for
12 Medicaid to screen and stabilize a Medicaid recipient, including
13 stabilization of a psychiatric crisis, in a hospital emergency
14 room, contingent on obtaining prior authorization from the
15 recipient's HMO. If the recipient is discharged from the emergency
16 room, the hospital shall notify the recipient's HMO within 24 hours
17 of the diagnosis and treatment received.

18 (2) If the treating hospital determines that the recipient
19 will require further medical service or hospitalization beyond the
20 point of stabilization, that hospital shall receive authorization
21 from the recipient's HMO prior to admitting the recipient.

22 (3) Subsections (1) and (2) do not require an alteration to an
23 existing agreement between an HMO and its contracting hospitals and
24 do not require an HMO to reimburse for services that are not
25 considered to be medically necessary.

26 Sec. 1662. (1) From the funds appropriated in part 1, the
27 department shall require an annual external quality review of each
28 contracting HMO. The external quality review must analyze and
29 evaluate aggregated information on quality, timeliness, and access



1 to health care services that the HMO or its contractors furnish to
2 Medicaid beneficiaries. The department shall create a report
3 containing each quality review required under this subsection.

4 (2) The department shall require Medicaid HMOs to provide
5 EPSDT utilization data through the encounter data system, and HEDIS
6 well child health measures in accordance with the National
7 Committee for Quality Assurance prescribed methodology.

8 (3) The department shall submit a copy of the analysis of the
9 Medicaid HMO annual audited reports on HEDIS and the report under
10 subsection (1) to the standard report recipients within 30 days
11 after the department's receipt of the final information required
12 from the contractors.

13 Sec. 1670. (1) The appropriation in part 1 for the MICHild
14 program is to be used to provide comprehensive health care to all
15 children under age 19 who reside in families with an income at or
16 below 212% of the federal poverty level, who are uninsured and have
17 not had coverage by other comprehensive health insurance within 6
18 months of applying for MICHild benefits, and who are residents of
19 this state. The department shall develop detailed eligibility
20 criteria through the behavioral and physical health and aging
21 services administration public concurrence process. The eligibility
22 criteria must be consistent with the provisions of this part and
23 part 1.

24 (2) The department shall provide up to 1 year of continuous
25 eligibility to a child eligible for the MICHild program unless the
26 child reaches age 19.

27 Sec. 1677. From the funds appropriated in part 1 for the
28 MICHild program, the department shall provide, at a minimum, all
29 benefits available under the Michigan benchmark plan that are



1 delivered through contracted providers and consistent with federal
2 law, including, but not limited to, the following medically
3 necessary services:

4 (a) Inpatient mental health services, other than substance use
5 disorder treatment services, including services furnished in a
6 state-operated mental hospital and residential or other 24-hour
7 therapeutically planned structured services.

8 (b) Outpatient mental health services, other than substance
9 use disorder services, including services furnished in a mental
10 hospital operated by this state and community-based services.

11 (c) Durable medical equipment and prosthetic and orthotic
12 devices.

13 (d) Dental services as outlined in the approved MICHild state
14 plan.

15 (e) Substance use disorder treatment services that may include
16 inpatient, outpatient, and residential substance use disorder
17 treatment services.

18 (f) Care management services for mental health diagnoses.

19 (g) Physical therapy, occupational therapy, and services for
20 individuals with speech, hearing, and language disorders.

21 (h) Emergency ambulance services.

22 Sec. 1682. (1) In addition to the appropriations in part 1,
23 the department is authorized to receive and spend penalty money
24 received as the result of noncompliance with Medicaid certification
25 regulations. Penalty money, characterized as private funds,
26 received by the department shall increase authorizations and
27 allotments in the long-term care accounts.

28 (2) Any unexpended penalty money, at the end of the year, must
29 carry forward to the following year.



1 (3) Not later than March 1 of the current fiscal year, the
2 department shall report to the standard report recipients on
3 penalty money received by the department as described in subsection
4 (1). The report must include, but is not limited to, the following
5 information:

6 (a) The amount of penalty monies received by the department in
7 the previous fiscal year listed by the assessed entity.

8 (b) A list of the entities that were assessed penalties in the
9 previous fiscal year with the rationale for each penalty.

10 Sec. 1692. (1) The department is authorized to pursue
11 reimbursement for eligible services provided in Michigan schools
12 from the federal Medicaid program. The department and the state
13 budget director are authorized to negotiate and enter into
14 agreements, together with the department of education, with local
15 and intermediate school districts regarding the sharing of federal
16 Medicaid services funds received for these services. The department
17 is authorized to receive and disburse funds to participating school
18 districts pursuant to agreements described in this subsection and
19 pursuant to federal law and a law of this state.

20 (2) From the funds appropriated in part 1 for health services
21 school-based services payments, the department is authorized to do
22 all of the following:

23 (a) Finance activities within the behavioral and physical
24 health and aging services administration related to eligible
25 services.

26 (b) Reimburse participating school districts pursuant to the
27 fund-sharing ratios negotiated in the state-local agreements
28 authorized in subsection (1).

29 (c) Offset general fund costs associated with the Medicaid



1 program.

2 Sec. 1694. From the funds appropriated in part 1 for special
3 Medicaid reimbursement, \$2,628,500.00 of general fund/general
4 purpose revenue and any associated federal match must be
5 distributed for poison control services to an academic health care
6 system that has a high volume of providing care to indigent
7 individuals.

8 Sec. 1697. The department shall require that Medicaid health
9 plans administering Healthy Michigan plan benefits maintain a
10 network of dental providers in sufficient numbers, mix, and
11 geographic locations throughout their respective service areas in
12 order to provide adequate dental care for Healthy Michigan plan
13 enrollees.

14 Sec. 1700. Not later than December 1 of the current fiscal
15 year, the department shall report to the standard report recipients
16 on the distribution of funding provided, and the net benefit if the
17 special hospital payment is not financed with general fund/general
18 purpose revenue, to each eligible hospital during the previous
19 fiscal year from the following special hospital payments:

20 (a) GME.

21 (b) Special rural hospital payments provided under section
22 1802(1)(b) of this part.

23 (c) Lump-sum payments to rural hospitals for obstetrical care
24 provided under section 1802(1)(a) of this part.

25 Sec. 1702. From the funds appropriated in part 1, the
26 department shall allocate \$2,830,000.00 in general fund/general
27 purpose revenue and any associated federal match to maintain the
28 rates in place during the prior fiscal year for private duty
29 nursing services for Medicaid beneficiaries under the age of 21.



1 These additional funds must be used to attract and retain highly
2 qualified registered nurses and licensed practical nurses to
3 provide private duty nursing services so that medically fragile
4 individuals can be cared for in the most homelike setting possible.

5 Sec. 1757. The department shall obtain proof from all Medicaid
6 recipients that they are United States citizens or otherwise
7 legally residing in this country and that they are residents of
8 this state before approving Medicaid eligibility.

9 Sec. 1764. The department shall annually certify whether rates
10 paid to Medicaid health plans and specialty PIHPs are actuarially
11 sound in accordance with federal requirements. The department shall
12 provide to the standard report recipients a copy of the rate
13 certification required under this section and the approval of rates
14 paid to Medicaid health plans and specialty PIHPs for any fiscal
15 year not later than October 1 for Medicaid capitation rate
16 certifications and not later than February 15, May 15, and August
17 15 for any Medicaid capitation rate amendments. Following the rate
18 certification, the department shall ensure that no new or revised
19 state Medicaid policy bulletin that is promulgated materially
20 impacts the capitation rates that have been certified.

21 Sec. 1775. From the funds appropriated in part 1, by not later
22 than March 1 of the current fiscal year, the department shall
23 provide a report to the standard report recipients on the
24 transition of the MI Health Link program to an integrated dual
25 eligible special needs plan (D-SNP) required by Medicare Advantage
26 and Part D Final Rule (CMS-4192-F). The report must include all of
27 the following:

28 (a) The status of any extension received from CMS for the MI
29 Health Link demonstration.



1 (b) The amount and fund source of realized or anticipated
2 transition costs by fiscal year.

3 (c) The status of the transition, by MI Health Link service
4 region and by individual county within a region.

5 (d) A summary of the efforts taken to engage beneficiaries,
6 stakeholders, and health plans in the transition process.

7 (e) A summary of necessary Medicaid contractual and policy
8 changes related to D-SNP contracting, including any carve-outs that
9 will be proposed.

10 (f) A summary of the eligibility guidelines and covered
11 benefits proposed in the D-SNP transition, including a comparison
12 of long-term services and supports, home- and community-based
13 services and behavioral health services as of September 30, 2024,
14 and in the proposed D-SNP.

15 (g) A verification of the inclusion of the most important
16 aspects of the MI Health Link into any D-SNP proposal, including,
17 but not limited to, the following:

18 (i) \$0.00 copayments and deductibles for all covered services.

19 (ii) Access to a care coordinator for care navigation and care
20 planning.

21 (iii) A single card for all Medicare and Medicaid services.

22 Sec. 1786. From the funds appropriated in part 1, the
23 department shall maintain Medicaid reimbursement for the
24 administration of injectable, nasal, and oral vaccines at \$23.03.

25 Sec. 1787. From the funds appropriated in part 1 for health
26 plan services, Healthy Michigan plan, Healthy Michigan plan - fee-
27 for-service, and long-term care services, the department shall
28 maintain the Medicaid reimbursement rates in place during the prior
29 fiscal year for CPT codes 31579, 92507, 92508, 92520, 92521, 92522,



1 92523, 92524, 92526, 92597, 92607, 92608, 92609, 92610, 92630,
2 92633, 92700, 94010, 97129, 97130, 97533, 97799, G2250, G2251, and
3 S9152.

4 Sec. 1788. From the funds appropriated in part 1, the
5 department shall provide Medicaid reimbursement rates, including
6 Medicaid reimbursements from the ambulance provider quality
7 assurance assessment, for ground ambulance services up to 100% of
8 the Medicare allowable rates for Locality 01 for ground ambulance
9 services.

10 Sec. 1790. The department shall maintain the current
11 practitioner rates paid for CPT codes 90791 through 90899 for
12 psychiatric procedures through Medicaid fee-for-service and through
13 the comprehensive Medicaid health plans for psychiatric procedures
14 provided for Medicaid recipients under the age of 21.

15 Sec. 1791. From the funds appropriated in part 1 for health
16 plan services and physician services, the department shall provide
17 Medicaid reimbursement rates for neonatal services at 100% of the
18 Medicare rate received for those services in effect on the date the
19 services are provided to eligible Medicaid recipients. The neonatal
20 services and physician services eligible for reimbursement rates
21 under this section are described as CPT codes 99468, 99469, 99471,
22 99472, 99475, 99476, 99477, 99478, 99479, and 99480.

23 Sec. 1792. By April 30 of the current fiscal year, the
24 department shall evaluate pharmacy encounter data through the first
25 2 quarters of the fiscal year to determine, in consultation with
26 the Medicaid health plans, if rates must be recertified. By May 30
27 of the current fiscal year, the department shall report the
28 evaluation results to the standard report recipients and the
29 Medicaid health plans.



1 Sec. 1794. (1) From the funds appropriated in part 1, the
2 department shall provide Medicaid reimbursements for hospital-based
3 substance use disorder peer-supports.

4 (2) Not later than March 1 of the current fiscal year, the
5 department shall report to the standard report recipients on the
6 statewide amounts and each hospital amount for hospital-based
7 substance use disorder peer-supports during the first quarter of
8 the current fiscal year, including for all of the following:

9 (a) The number of individuals served.

10 (b) The Medicaid reimbursement utilization.

11 (c) The total expenditures.

12 Sec. 1801. From the funds appropriated in part 1 for physician
13 services and health plan services, the department shall continue
14 the increase to Medicaid rates for primary care services provided
15 only by primary care providers. The department shall not provide
16 the increase to Medicaid rates under this section to primary care
17 providers whose primary practice is as a non-primary-care
18 subspecialty. The department shall establish policies that most
19 effectively limit the increase to primary care providers for
20 primary care services only. As used in this section, "primary care
21 provider" means a physician, or a practitioner working in
22 collaboration with a physician, who is either licensed under part
23 170 or part 175 of the public health code, 1978 PA 368, MCL
24 333.17001 to 333.17097 and 333.17501 to 333.17556, and who works as
25 a primary care provider in general practice or is board-eligible or
26 certified with a specialty designation of family medicine, general
27 internal medicine, or pediatric medicine, or is a provider who
28 provides the department with documentation of equivalency.

29 Sec. 1802. (1) From the funds appropriated in part 1 for rural



1 access hospital payments, the department shall provide for the
2 following:

3 (a) \$8,470,200.00 in general fund/general purpose revenue as
4 lump-sum payments to noncritical access hospitals that qualified
5 for rural hospital access payments in fiscal year 2013-2014 and
6 that provide obstetrical care this fiscal year. Payment amounts
7 must be based on the volume of obstetrical care cases and newborn
8 care cases for all such cases billed by each qualified hospital in
9 the most recent year for which data is available. The department
10 shall make payments not later than January 1 of the current fiscal
11 year. For the current fiscal year, a hospital that met established
12 occupied bed criteria based on Medicaid cost reports as of the
13 fiscal year ending September 30, 2011, and that is located within a
14 county with a population of not more than 165,000 and within a
15 city, village, or township with a population of not more than
16 16,000, according to the 2000 federal decennial census, is
17 eligible.

18 (b) \$15,204,800.00 in general fund/general purpose revenue and
19 any associated federal match awarded as rural access payments to
20 noncritical access hospitals that meet criteria established by the
21 department for services to low-income rural residents. One of the
22 reimbursement components of the criteria established by the
23 department under this subsection must be assistance with labor and
24 delivery services.

25 (2) Payments under this section must be made by January 1 of
26 the current fiscal year.

27 (3) The department shall publish the distribution of payments
28 for the current fiscal year and the previous fiscal year.

29 Sec. 1803. (1) From the funds appropriated in part 1 for rural



1 health transformation program, the department shall provide grants
2 to hospitals and providers in rural areas of this state, in
3 accordance with federal requirements.

4 (2) Not later than January 15 of the current fiscal year, the
5 department shall provide to the standard report recipients the
6 rural health transformation program grant application and plan
7 submitted to CMS.

8 (3) Not later than 30 days after receiving CMS notification of
9 the acceptance or rejection of the application described under
10 subsection (2), the department shall notify the standard report
11 recipients of any modifications prescribed by CMS to the original
12 application and plan.

13 Sec. 1804. The department may utilize the federal public
14 assistance reporting information system to continue to work to
15 identify Medicaid recipients who are veterans and who may be
16 eligible for federal veterans' health care benefits or other
17 benefits and shall continue to refer veterans to the department of
18 military and veterans affairs for assistance in securing additional
19 benefits.

20 Sec. 1805. The department shall modify Medicaid policy in the
21 Medicaid Manual, Nursing Facility Chapter, Certification, Survey
22 and Enforcement Appendix, Section 2.3 and submit a Medicaid state
23 plan amendment to CMS to seek approval to allow the department to
24 approve or deny any application seeking Medicaid bed certification
25 and provider enrollment for dual certification of Medicare-only
26 beds. The modified Medicaid policy must replace the current
27 certification criteria. The modified Medicaid policy must provide
28 that the department grant Medicaid bed certification if the
29 application meets all of the following:



1 (a) A verification from the state survey agency that the beds
2 listed in the applications are Medicare-certified.

3 (b) The state survey agency finds that the facility named in
4 the application is in substantial compliance with federal
5 regulations at the time of application.

6 (c) If there is an accepted submitted plan of correction for
7 any survey activity occurring following the date of the application
8 submission, the facility named in the application will be deemed to
9 have satisfactory survey performance.

10 Sec. 1810. In advance of the annual rate setting development,
11 Medicaid health plans must be given at least 60 days to dispute and
12 correct any discarded encounter data before rates are certified.
13 The department shall notify each contracting Medicaid health plan
14 of any encounter data that have not been accepted for the purposes
15 of rate setting.

16 Sec. 1812. Not later than June 1 of the current fiscal year,
17 and using the most recent available cost reports, the department
18 shall complete a report of all direct and indirect costs associated
19 with residency training programs for each hospital that receives
20 funds appropriated in part 1 for graduate medical education or
21 through the MiDocs consortium. The report shall be submitted to the
22 standard report recipients.

23 Sec. 1820. (1) In order to avoid duplication of effort, if a
24 Medicaid health plan has been reviewed and accredited by a national
25 accrediting entity for health care services, the department shall
26 use applicable national accreditation review criteria to determine
27 compliance with corresponding requirements in this state.

28 (2) The department shall continue to comply with federal law
29 and laws of this state and shall not initiate an action that



1 negatively impacts beneficiary safety.

2 (3) As used in this section, "national accrediting entity"
3 means the National Committee for Quality Assurance, the URAC,
4 formerly known as the Utilization Review Accreditation Commission,
5 or another appropriate entity, as approved by the department.

6 Sec. 1833. In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$2,400,000,000.00 for
8 state restricted insurance provider assessment and federal Medicaid
9 reimbursement contingency authorization. Amounts appropriated under
10 this section are not available for expenditure until they have been
11 transferred to another line item in part 1 under section 393(2) of
12 the management and budget act, 1984 PA 431, MCL 18.1393, and the
13 insurance provider assessment rates in section 7 of the insurance
14 provider assessment act, 2018 PA 175, MCL 550.1757, are revised to
15 be in compliance with the uniform tax requirement for Medicaid
16 provider taxes in the one big beautiful bill act, Public Law 119-
17 21.

18 Sec. 1834. In addition to the funds appropriated in part 1,
19 there is appropriated an amount not to exceed \$2,550,000,000.00 for
20 a state restricted quality assurance assessment program and federal
21 Medicaid reimbursement contingency authorization. Amounts
22 appropriated under this section are not available for expenditure
23 until they have been transferred to another line item in part 1
24 under section 393(2) of the management and budget act, 1984 PA 431,
25 MCL 18.1393, and have received CMS approval under the state's
26 Medicaid preprint.

27 Sec. 1837. The department shall continue, and expand where
28 appropriate, utilization of telemedicine and telepsychiatry as
29 strategies to increase access to services for Medicaid recipients.



1 Sec. 1839. For health services provided through managed care
2 or the fee-for-service program, the department shall require, for
3 the nonfacility component of the reimbursement rate, at least the
4 same reimbursement for that service, if that service is provided
5 through telemedicine, as if the service involved face-to-face
6 contact between the health care professional and the patient.

7 Sec. 1846. From the funds appropriated in part 1 for graduate
8 medical education, the department shall distribute the funds with
9 an emphasis on the following health care workforce goals:

10 (a) The encouragement of the training of physicians in
11 specialties, including primary care, that are necessary to meet the
12 future needs of residents of this state.

13 (b) The training of physicians in settings that include
14 ambulatory sites and rural locations.

15 (c) The training of practitioners providing pediatric
16 psychiatry services.

17 Sec. 1850. The department may allow Medicaid health plans to
18 assist with maintaining eligibility through outreach activities to
19 ensure continuation of Medicaid eligibility and enrollment in
20 managed care. The assistance may include mailings, telephone
21 contact, or face-to-face contact with beneficiaries enrolled in the
22 individual Medicaid health plan. Medicaid health plans may offer
23 assistance in completing paperwork for beneficiaries enrolled in
24 the Medicaid health plan.

25 Sec. 1854. The funds appropriated in part 1 for PACE must
26 support a current fiscal year enrollment cap that is not less than
27 8,543.

28 Sec. 1855. From the funds appropriated in part 1 for PACE, to
29 the extent that funding is available in the PACE line item and



1 unused program slots are available, the department may do the
2 following:

3 (a) Increase the number of slots for a local and already-
4 established PACE if the local PACE has provided appropriate
5 documentation to the department indicating its ability to expand
6 capacity to provide services to additional PACE clients.

7 (b) Suspend the 10 member per month individual PACE enrollment
8 increase cap in order to allow unused and unobligated slots to be
9 allocated to address unmet demand for PACE services.

10 Sec. 1856. (1) From the funds appropriated in part 1 for
11 hospice services, \$5,000,000.00 shall be expended to provide room
12 and board for Medicaid recipients who meet hospice eligibility
13 requirements and receive services at Medicaid enrolled hospice
14 residences in this state. The department shall distribute funds
15 through grants based on the total beds located in all eligible
16 residences that have been providing these services as of October 1,
17 2017. An eligible grant applicant may inform the department of the
18 applicant's request to reduce the grant amount allocated for the
19 applicant's residence and the funds must be distributed
20 proportionally to increase the total grant amount of the remaining
21 grant-eligible residences. Grant amounts shall be paid out monthly
22 with 1/12 of the total grant amount distributed each month to the
23 grantees.

24 (2) Not later than September 15 of the current fiscal year,
25 each Medicaid-enrolled hospice with a residence that receives funds
26 under this section shall provide a report to the department on the
27 utilization of the grant funding provided in subsection (1). The
28 report must be provided in a format prescribed by the department
29 and must include the following information:



1 (a) The number of patients served.

2 (b) The number of days served.

3 (c) The daily room and board rates for the patients served.

4 (d) If there is not sufficient funding to cover the total room
5 and board need, the number of patients who did not receive care due
6 to insufficient grant funding.

7 (3) If funds awarded under this section remain unused at the
8 end of the current fiscal year, the Medicaid-enrolled hospice with
9 a residence shall return those unused funds to this state.

10 Sec. 1859. The department shall partner with the Michigan
11 Association of Health Plans and Medicaid health plans to develop
12 and implement strategies for the use of information technology
13 services for Medicaid research activities. The department shall
14 make available state medical assistance program data, including
15 Medicaid behavioral data, to the Michigan Association of Health
16 Plans and Medicaid health plans or any vendor considered qualified
17 by the department to perform research activities consistent with
18 this state's goals of improving health; increasing the quality,
19 reliability, availability, and continuity of care; and reducing the
20 cost of care for the eligible population of Medicaid recipients.

21 Sec. 1862. From the funds appropriated in part 1, the
22 department shall maintain payment rates for Medicaid obstetrical
23 services at 95% of Medicare levels effective October 1, 2014.

24 Sec. 1870. (1) From the funds appropriated in part 1 for
25 MiDocs consortium, the department shall allocate \$6,400,000.00 in
26 general fund/general purpose revenue plus any contributions from
27 public entities, up to \$5,000,000.00, and any associated federal
28 match to the MiDocs consortium to create new primary care residency
29 slots in underserved communities. The new primary care residency



1 slots must be in 1 of the following specialties: family medicine,
2 general internal medicine, general pediatrics, general OB-GYN,
3 psychiatry, or general surgery.

4 (2) The department shall seek any necessary approvals from CMS
5 to allow the department to implement the program described in this
6 section.

7 (3) Assistance with repayment of medical education loans, loan
8 interest payments, or scholarships provided by the MiDocs
9 consortium shall be contingent upon a minimum 2-year commitment to
10 practice in an underserved community in this state post-residency
11 and an agreement to forego any sub-specialty training for at least
12 2 years post-residency with the exception of a child and adolescent
13 psychiatry fellowship that must be integrated with a psychiatry
14 residency training program in a MiDocs consortium affiliated
15 institution.

16 (4) The MiDocs consortium shall work with the department to
17 integrate the Michigan inpatient psychiatric admissions discussion
18 (MIPAD) recommendations and, when possible, prioritize training
19 opportunities in state psychiatric hospitals and community mental
20 health organizations.

21 (5) The department shall maintain the MiDocs consortium
22 initiative advisory council to help support implementation of the
23 program described in this section, and to provide oversight. The
24 advisory council must be composed of the MiDocs consortium, the
25 Michigan Area Health Education Centers, the Michigan Primary Care
26 Association, the Michigan Center for Rural Health, the Michigan
27 Academy of Family Physicians, and any other appointees designated
28 by the department.

29 (6) Not later than September 1 of the current fiscal year, the



1 MiDocs consortium shall submit a report to the standard report
2 recipients that includes all of the following information:

3 (a) Audited financial statement of per-resident costs.

4 (b) Education and clinical quality data.

5 (c) Roster of trainees, including areas of specialty and
6 locations of training.

7 (d) Medicaid revenue by training site.

8 (7) The department shall monitor outcome and performance
9 measures for this program, including, but not limited to, the
10 following:

11 (a) Increasing this state's ability to recruit, train, and
12 retain primary care physicians and other select specialty
13 physicians in underserved communities.

14 (b) Maximizing training opportunities with community health
15 centers, rural critical access hospitals, solo or group private
16 practice physician practices, schools, and other community-based
17 clinics, in addition to the required training through rotations at
18 inpatient hospitals.

19 (c) Increasing the number of residency slots for family
20 medicine, general internal medicine, general pediatrics, general
21 OB-GYN, psychiatry, and general surgery.

22 (8) Unexpended and unencumbered funds up to a maximum of
23 \$6,400,000.00 in general fund/general purpose revenue plus any
24 contributions from public entities, up to \$5,000,000.00, and any
25 associated federal match remaining in accounts appropriated in part
26 1 for MiDocs consortium are designated as work project
27 appropriations, and any unencumbered or unallotted funds must not
28 lapse at the end of the fiscal year and must be available for
29 expenditures for the MiDocs consortium to create new primary care



1 residency slots in underserved communities under this section until
2 the work project has been completed. All of the following are in
3 compliance with section 451a(1) of the management and budget act,
4 1984 PA 431, MCL 18.1451a:

5 (a) The purpose of the work project is to fund the cost of the
6 MiDocs consortium to create new primary care residency slots in
7 underserved communities.

8 (b) The work project will be accomplished by contracting with
9 the MiDocs consortium to oversee the creation of new primary care
10 residency slots.

11 (c) The total estimated completion cost of the work project is
12 \$20,200,000.00.

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

15 Sec. 1872. From the funds appropriated in part 1 for personal
16 care services, the department shall maintain the monthly Medicaid
17 personal care supplement paid to adult foster care facilities and
18 homes for the aged that provide personal care services to Medicaid
19 recipients in place during the previous fiscal year.

20 Sec. 1874. The department shall ensure, in counties where PACE
21 services are available, that PACE is included as an option in all
22 options counseling and enrollment brokering for aging services and
23 managed care programs, including, but not limited to, Area Agencies
24 on Aging, centers for independent living, and the MiChoice home and
25 community-based waiver. The department must include approved
26 marketing and discussion materials for options counseling.

27 Sec. 1879. Not later than May 15 of the current fiscal year,
28 the department shall submit to the standard report recipients a
29 report with Medicaid pharmaceutical information. The report shall



1 include, for the previous fiscal year, the total Medicaid
2 pharmaceutical costs and the total Medicaid pharmaceutical rebates.
3 The report must categorize the total Medicaid pharmaceutical costs
4 and total Medicaid pharmaceutical rebates recognized by the
5 contracted health plans and the department. In addition, the report
6 must also include all of the following information:

7 (a) The total estimated pharmaceutical benefit expenses
8 incurred by contracted health plans from the previous fiscal year
9 and through the first 2 quarters of the current fiscal year.

10 (b) The total estimated pharmaceutical benefit expenses
11 included in approved initial rates for contracted health plans from
12 the previous fiscal year and total estimated pharmaceutical benefit
13 expenses included in approved initial rates for contracted health
14 plans for the first 2 quarters of the current fiscal year.

15 (c) The total Medicaid pharmaceutical rebates received by the
16 department in the previous fiscal year and the single preferred
17 drug list supplemental rebates invoices in the previous fiscal
18 year.

19 (d) Information as to whether the average benefit expense for
20 the composite average across all rate cells and service categories
21 included in capitation rates, based on actual enrollment and
22 anticipated recoveries, for the previous fiscal year and through
23 the first 2 quarters of the current fiscal year exceeded the
24 reported contracted health plan's experience, adjusted for
25 completion over the same reporting periods.

26 (e) The following information related to the current Medicaid
27 pharmacy carve-out of pharmaceutical products as provided for in
28 section 109h of the social welfare act, 1939 PA 280, MCL 400.109h:

29 (i) The number of prescriptions paid by the department during



1 the previous fiscal year.

2 (ii) The total amount of expenditures for prescriptions paid by
3 the department during the previous fiscal year.

4 (iii) The number of and total expenditures for prescriptions
5 paid by the department for generic equivalents during the previous
6 fiscal year.

7 Sec. 1880. (1) The department shall align all pharmacy-related
8 policies with the United States Food and Drug Administration
9 quality and clinical standards. Any single preferred drug list
10 utilization management criteria will be established in consultation
11 with the Medicaid health plans and the Michigan pharmacy and
12 therapeutics committee described in section 9705 of the public
13 health code, 1978 PA 368, MCL 333.9705, with consideration given to
14 applicable United States Food and Drug Administration dosing
15 guidelines, subsequent evidence-based literature or studies, and
16 current treatment guidelines.

17 (2) The department shall prioritize the utilization of generic
18 and biosimilar pharmaceuticals on the state preferred drug list for
19 both Medicaid managed care and fee-for-service.

20 (3) The department shall not require a managed care
21 organization to adhere to the state single preferred drug list as a
22 contractual obligation.

23 (4) Notwithstanding subsection (1) of this section, the
24 department and vendors contracted by the department shall align
25 pharmacy-related policies for glucagon-like peptide 1 (GLP-1)
26 agonists with Centers for Medicare and Medicaid Services policy for
27 Medicare Part D.

28 Sec. 1881. The department, in collaboration with the Medicaid
29 health plans, shall review statutory, policy, or contractual



1 changes over the last 15 years in service coverage, case
2 management, evaluation and screening requirements, utilization
3 management practices, prior authorization requirements, provider
4 network requirements, and any other practices or requirements that
5 have led to Medicaid cost increases and recommend whether they
6 should or should not be revised. Not later than April 1 of the
7 current fiscal year, the department shall submit a summary, to the
8 standard report recipients, of the findings, rationale for any
9 recommended policy changes that would lead to cost savings, and
10 rationale for not recommending any policy changes that would lead
11 to cost savings.

12 Sec. 1888. The department shall establish contract performance
13 standards associated with the capitation withhold provisions for
14 Medicaid health plans at least 3 months before the implementation
15 of those standards. The determination of whether performance
16 standards have been met must be based primarily on recognized
17 concepts such as 1-year continuous enrollment and the health care
18 effectiveness data and information set, HEDIS, audited data.

19 Sec. 1889. All quality assurance assessment program revenue
20 collected under section 20161 of the public health code, 1978 PA
21 368, MCL 333.20161, must only be expended on services provided
22 under the Healthy Michigan plan, under 2013 PA 107, or the state
23 Medicaid program, under Title XIX and Title XXI.

24 25 **INFORMATION TECHNOLOGY**

26 Sec. 1901. (1) The department shall submit a report on a
27 semiannual basis to the standard report recipients that lists the
28 projects approved in the previous 6 months and provides the purpose
29 for approving each project including any federal, state, court, or



1 legislative requirement for each project.

2 (2) Once an award for an expansion of information technology
3 is made, the department shall submit a report to the standard
4 report recipients that provides the projected cost of the expansion
5 broken down by use and type of expense.

6 Sec. 1902. (1) From the funds appropriated in part 1 for
7 comprehensive child welfare information system, the department
8 shall submit a report not later than March 1 to the standard report
9 recipients. The report must include, but is not limited to, the
10 following:

11 (a) The total expenditures by fiscal year, from all sources,
12 on the development of the comprehensive child welfare information
13 system.

14 (b) The expenditure plan for the subsequent fiscal year for
15 the development, implementation, and maintenance of the
16 comprehensive child welfare information system.

17 (c) The details on upgrades, remediation of user-reported
18 issues, and other modifications to currently implemented modules of
19 the comprehensive child welfare information system that occurred
20 during the current fiscal year and are planned for the subsequent
21 fiscal year.

22 (d) The current timeline for the full implementation of the
23 comprehensive child welfare information system.

24 (2) The department shall continue to provide the report
25 described in subsection (1) after the implementation of the
26 comprehensive child welfare information system is complete and
27 operational.

28 Sec. 1903. (1) Not later than November 1 of the current fiscal
29 year, the department shall submit a report to the standard report



1 recipients that describes the status of an implementation plan
2 regarding the appropriation in part 1 to modernize the MiSACWIS.
3 The report must include, but is not limited to, an update on the
4 status of the settlement and efforts to bring the system in
5 compliance with the settlement and other federal guidelines set
6 forth by the United States Department of Health and Human Services
7 Administration for Children and Families.

8 (2) Not later than July 1 of the current fiscal year, the
9 department shall submit to the standard report recipients a report
10 on the department's efforts and recommendations to develop and
11 implement a simpler and more streamlined process for the annual
12 renewal of the licenses for family foster care homes, and the
13 development of a simpler and more efficient version of the
14 application form for renewal of the licenses for family foster care
15 homes.

16 (3) From the funds appropriated in part 1 for Michigan
17 statewide automated child welfare information system, the
18 department shall submit a report by not later than March 1 to the
19 standard report recipients. The report must include, but is not
20 limited to, the following:

21 (a) The current timeline for the phaseout of MiSACWIS and
22 MiSACWIS's replacement by the comprehensive child welfare
23 information system.

24 (b) Expenditures, from all funding sources, for maintenance,
25 upgrades, and remediation of user-reported issues in the previous
26 fiscal year.

27 (c) Any cost savings realized by decommissioning MiSACWIS.
28 Sec. 1906. From the funds appropriated in part 1 for
29 information technology services and projects, the department shall



1 allocate \$1,750,000.00 general fund/general purpose revenue, and
2 all associated federal matching revenue, to a public and private
3 nonprofit collaboration that is designated as this state's
4 statewide health information exchange by cooperative agreement, to
5 implement health information technology strategies for health
6 information exchange development, data management, and population
7 health at a statewide level.

8 Sec. 1909. (1) From the funds appropriated in part 1 for child
9 support automation, the department shall only encumber or expend
10 funds for the operation, maintenance, and improvements of the
11 Michigan child support enforcement system.

12 (2) From the funds appropriated in part 1 for bridges
13 information system, the department shall only encumber or expend
14 funds for the operation, maintenance, and improvements of Bridges
15 and MIBridges.

16 (3) From the funds appropriated in part 1 for Michigan
17 Medicaid information system, the department shall only encumber or
18 expend funds for the operation, maintenance, and improvements of
19 the community health automated Medicaid processing system.

20 (4) From the funds appropriated in part 1 for Michigan
21 statewide automated child welfare information system, the
22 department shall only encumber or expend funds for the operation,
23 maintenance, and improvements of MiSACWIS.

24 (5) From the funds appropriated in part 1 for comprehensive
25 child welfare information system, the department shall only
26 encumber or expend funds for the operation, maintenance, and
27 improvements to the comprehensive child welfare information system.

28 (6) From the funds appropriated in part 1 for comprehensive
29 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.

ARTICLE 6B

DEPARTMENT OF HEALTH AND HUMAN SERVICES - PUBLIC HEALTH

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 classified positions	710.9
--	-------

GROSS APPROPRIATION	\$ 1,127,404,300
----------------------------	-------------------------

Interdepartmental grant revenues:



1	Total interdepartmental grants and		
2	intradepartmental transfers		2,729,500
3	ADJUSTED GROSS APPROPRIATION	\$	1,124,674,800
4	Federal revenues:		
5	Capped federal revenues		10,785,200
6	Social security act, temporary assistance for		
7	needy families		6,738,300
8	Total other federal revenues		579,859,900
9	Special revenue funds:		
10	Total local revenues		47,963,300
11	Total private revenues		139,989,000
12	Michigan merit award trust fund		4,068,700
13	Total other state restricted revenues		82,968,900
14	State general fund/general purpose	\$	252,301,500
15	Sec. 102. HEALTH AND HUMAN SERVICES POLICY AND		
16	INITIATIVES		
17	Full-time equated classified positions	59.5	
18	Certificate of need program administration--		
19	FTEs	9.0	\$ 2,445,600
20	Child advocacy centers		1,407,000
21	Child advocacy centers - supplemental grants		6,000,000
22	Crime victim grants administration services--		
23	FTEs	12.8	2,546,300
24	Crime victim justice assistance grants		78,579,300
25	Crime victim rights services grants		21,369,900
26	Crime victim rights sustaining grants		26,000,000
27	Domestic violence prevention and treatment--		
28	FTEs	15.6	19,383,500



1	Human trafficking intervention services--FTE	1.0	200,000
2	Michigan essential health provider		3,519,600
3	Minority health grants and contracts--FTEs	2.8	1,133,700
4	Nurse education and research program--FTEs	3.0	823,600
5	Policy and planning administration--FTEs	12.8	1,845,500
6	Primary care services--FTEs	2.0	3,679,200
7	Rape prevention and services--FTE	0.5	7,097,300
8	Rural health services		175,000
9	Uniform statewide sexual assault evidence kit		
10	tracking system		369,500
11	GROSS APPROPRIATION	\$	176,575,000
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG from department of licensing and regulatory		
15	affairs		823,600
16	IDG from department of lifelong education,		
17	advancement, and potential		2,400
18	IDG from department of treasury, Michigan		
19	finance authority		105,700
20	Federal revenues:		
21	Capped federal revenues		10,704,100
22	Social security act, temporary assistance for		
23	needy families		6,736,000
24	Total other federal revenues		85,715,700
25	Special revenue funds:		
26	Total private revenues		865,000
27	Child advocacy centers fund		1,407,000
28	Compulsive gaming prevention fund		1,040,500



1	Crime victim's rights fund		19,990,100
2	Sexual assault victims' prevention and		
3	treatment fund		3,000,000
4	Total other state restricted revenues		2,946,800
5	State general fund/general purpose	\$	43,238,100
6	Sec. 103. EPIDEMIOLOGY, EMERGENCY MEDICAL		
7	SERVICES, AND LABORATORY		
8	Full-time equated classified positions	376.6	
9	Bioterrorism preparedness--FTEs	45.9	\$ 30,086,800
10	Childhood lead program--FTEs	3.0	2,147,900
11	Emergency medical services program--FTEs	21.8	8,354,000
12	Epidemiology administration--FTEs	64.1	25,128,100
13	Healthy homes program--FTEs	26.6	26,479,500
14	Laboratory services--FTEs	102.0	31,002,000
15	Newborn screening follow-up and treatment		
16	services--FTEs	10.5	9,837,500
17	PFAS and environmental contamination response--		
18	FTEs	39.8	10,675,300
19	Vital records and health statistics--FTEs	62.9	10,598,100
20	GROSS APPROPRIATION	\$	154,309,200
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG from department of environment, Great		
24	Lakes, and energy		1,797,800
25	Federal revenues:		
26	Capped federal revenues		81,100
27	Total other federal revenues		75,418,500
28	Special revenue funds:		



1	Total private revenues		1,330,400
2	Total other state restricted revenues		31,959,200
3	State general fund/general purpose	\$	43,722,200
4	Sec. 104. LOCAL HEALTH AND ADMINISTRATIVE		
5	SERVICES		
6	Full-time equated classified positions	155.8	
7	AIDS prevention, testing, and care programs--		
8	FTEs	59.2	\$ 108,055,900
9	Cancer prevention and control program--FTEs	18.0	15,911,400
10	Chronic disease control and health promotion		
11	administration--FTEs	26.7	10,208,400
12	Diabetes and kidney program--FTEs	5.8	3,912,800
13	Essential local public health services		76,419,300
14	Implementation of 1993 PA 133, MCL 333.17015		20,000
15	Local health services--FTEs	3.3	8,724,200
16	Medicaid outreach cost reimbursement to local		
17	health departments		12,500,000
18	Public health administration--FTEs	9.0	2,289,200
19	Sexually transmitted disease control program--		
20	FTEs	16.4	8,087,700
21	Smoking prevention program--FTEs	10.3	9,553,700
22	Violence prevention--FTEs	7.1	8,500,000
23	GROSS APPROPRIATION	\$	264,182,600
24	Appropriated from:		
25	Federal revenues:		
26	Social security act, temporary assistance for		
27	needy families		2,300
28	Total other federal revenues		83,240,000



1	Special revenue funds:		
2	Total local revenues		5,150,000
3	Total private revenues		72,743,500
4	Public safety and violence prevention fund		1,500,000
5	Total other state restricted revenues		14,449,300
6	State general fund/general purpose	\$	87,097,500
7	Sec. 105. FAMILY HEALTH SERVICES		
8	Full-time equated classified positions	119.0	
9	Child and adolescent health care and centers	\$	41,242,700
10	Dental programs--FTEs	3.4	7,299,800
11	Family, maternal, and child health		
12	administration--FTEs	45.6	9,895,300
13	Family planning local agreements		8,530,900
14	Immunization program--FTEs	12.0	19,552,600
15	Local MCH services		7,018,100
16	Pregnancy prevention program		1,297,900
17	Prenatal care outreach and service delivery		
18	support--FTEs	17.0	38,140,800
19	Special projects		6,289,100
20	Sudden and unexpected infant death and		
21	suffocation prevention program		321,300
22	Women, infants, and children program		
23	administration and special projects--FTEs	41.0	19,543,900
24	Women, infants, and children program local		
25	agreements and food costs		251,285,000
26	GROSS APPROPRIATION	\$	410,417,400
27	Appropriated from:		
28	Federal revenues:		

1	Total other federal revenues	267,476,700
2	Special revenue funds:	
3	Total local revenues	42,813,300
4	Total private revenues	64,750,100
5	Total other state restricted revenues	3,876,000
6	State general fund/general purpose	\$ 31,501,300
7	Sec. 106. AGING SERVICES	
8	Community services	\$ 61,147,200
9	Employment assistance	3,500,000
10	Nutrition services	50,004,200
11	Respite care program	7,268,700
12	GROSS APPROPRIATION	\$ 121,920,100
13	Appropriated from:	
14	Federal revenues:	
15	Total other federal revenues	68,009,000
16	Special revenue funds:	
17	Total private revenues	300,000
18	Michigan merit award trust fund	4,068,700
19	Total other state restricted revenues	2,800,000
20	State general fund/general purpose	\$ 46,742,400

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 \$339,339,100.00 and state spending under part 1 from state sources to be paid to



local units of government is \$154,030,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES

Crime victim rights services grants	\$	11,593,000
Domestic violence prevention and treatment		163,000
Primary care services		79,800

EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY

Emergency medical services program	\$	4,800
Epidemiology administration		448,700
Healthy homes program		1,186,600
PFAS and environmental contamination response		200

LOCAL HEALTH AND ADMINISTRATIVE SERVICES

AIDS prevention, testing, and care programs	\$	2,705,800
Cancer prevention and control program		43,600
Essential local public health services		71,269,300
Local health services		1,928,900
Public health administration		200
Sexually transmitted disease control program		775,400
Smoking prevention program		242,100

FAMILY HEALTH SERVICES

Dental programs	\$	25,000
Drinking water declaration of emergency		136,500
Family planning local agreements		224,000
Immunization program		2,155,600



1	Pregnancy prevention program	65,000
2	Prenatal care outreach and service delivery	
3	support	8,806,900
4	AGING SERVICES	
5	Community services	\$ 33,526,500
6	Nutrition services	12,849,100
7	Respite care program	5,800,000
8	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	\$ 154,030,000

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

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

13 (a) "AIDS" means acquired immunodeficiency syndrome.

14 (b) "CCBHC" means certified community behavioral health
15 clinic.

16 (c) "CMHSP" means a community mental health services program
17 as that term is defined in section 100a of the mental health code,
18 1974 PA 258, MCL 330.1100a.

19 (d) "CMS" means the Centers for Medicare and Medicaid
20 Services.

21 (e) "CPT" means current procedural terminology.

22 (f) "Current fiscal year" means the fiscal year ending
23 September 30, 2026.

24 (g) "Department" means the department of health and human
25 services.

26 (h) "Director" means the director of the department.

27 (i) "EPSDT" means early and periodic screening, diagnosis, and
28 treatment.

29 (j) "Federal poverty level" means the poverty guidelines



1 revised periodically and published in the Federal Register by the
2 Secretary of the United States Department of Health and Human
3 Services under the Secretary's authority to revise the poverty line
4 under 42 USC 9902.

5 (k) "FQHC" means federally qualified health center.

6 (l) "FTE" means full-time equated.

7 (m) "GME" means graduate medical education.

8 (n) "Health plan" means, at a minimum, an organization that
9 meets the criteria for delivering the comprehensive package of
10 services under the department's comprehensive health plan.

11 (o) "HEDIS" means health care effectiveness data and
12 information set.

13 (p) "HMO" means health maintenance organization.

14 (q) "IDEA" means the individuals with disabilities education
15 act, 20 USC 1400 to 1482.

16 (r) "IDG" means interdepartmental grant.

17 (s) "MCH" means maternal and child health.

18 (t) "Medicaid" means subchapter XIX of the social security
19 act, 42 USC 1396 to 1396w-8.

20 (u) "Medicare" means subchapter XVIII of the social security
21 act, 42 USC 1395 to 1395III.

22 (v) "MiCAFE" means Michigan's coordinated access to food for
23 the elderly.

24 (w) "MiChild" means the program described in section 1670 of
25 this part.

26 (x) "MiSACWIS" means Michigan statewide automated child
27 welfare information system.

28 (y) "PACE" means program of all-inclusive care for the
29 elderly.



1 (z) "PAS/ARR-OBRA" means the preadmission screening and annual
2 resident review required under the omnibus budget reconciliation
3 act of 1987, section 1919(e)(7) of the social security act, 42 USC
4 1396r.

5 (aa) "PATH" means Partnership. Accountability. Training. Hope.

6 (bb) "PFAS" means perfluoroalkyl and polyfluoroalkyl
7 substances.

8 (cc) "PIHP" means an entity designated by the department as a
9 regional entity or a specialty prepaid inpatient health plan for
10 Medicaid mental health services, services to individuals with
11 developmental disabilities, and substance use disorder services.
12 Regional entities are described in section 204b of the mental
13 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
14 inpatient health plans are described in section 232b of the mental
15 health code, 1974 PA 258, MCL 330.1232b.

16 (dd) "Previous fiscal year" means the fiscal year ending
17 September 30, 2025.

18 (ee) "Quarterly basis" means February 1, April 1, July 1, and
19 September 30 of the current fiscal year.

20 (ff) "Semiannual basis" means March 1 and September 30 of the
21 current fiscal year.

22 (gg) "Settlement" means the settlement agreement entered in
23 the case of *Dwayne B. v Snyder*, Docket No. 2:06-cv-13548 in the
24 United States District Court for the Eastern District of Michigan.

25 (hh) "SSI" means supplemental security income.

26 (ii) "Standard report recipients" means the senate and house
27 of representatives appropriations subcommittees on the department
28 budget, the senate and house fiscal agencies, the senate and house
29 of representatives policy offices, and the state budget office.



1 (jj) "Temporary assistance for needy families" or "TANF" or
2 "title IV-A" means part A of subchapter IV of the social security
3 act, 42 USC 601 to 619.

4 (kk) "Title IV-B" means part B of title IV of the social
5 security act, 42 USC 621 to 629m.

6 (ll) "Title IV-D" means part D of title IV of the social
7 security act, 42 USC 651 to 669b.

8 (mm) "Title IV-E" means part E of title IV of the social
9 security act, 42 USC 670 to 679c.

10 (nn) "Title X" means subchapter VIII of the public health
11 service act, 42 USC 300 to 300a-8, which establishes grants to
12 states for family planning services.

13 Sec. 204. If the state administrative board, acting under
14 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
15 appropriated under part 1, the legislature may, by a concurrent
16 resolution adopted by a majority of the members elected to and
17 serving in each house, inter-transfer funds within part 1 for the
18 particular department, board, commission, officer, or institution.

19 Sec. 205. The department shall not take disciplinary action
20 against an employee of the department because the employee
21 communicates with a member of the legislature or legislative staff,
22 unless the communication is prohibited by law and the department is
23 exercising its authority as provided by law.

24 Sec. 206. To the extent permissible under section 261 of the
25 management and budget act, 1984 PA 431, MCL 18.1261, all of the
26 following apply to the expenditure of funds appropriated in part 1:

27 (a) The funds must not be used for the purchase of foreign
28 goods or services, or both, if competitively priced and of
29 comparable quality American goods or services, or both, are



1 available.

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

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

9 Sec. 207. The department shall use the internet to fulfill the
10 reporting requirements of this part. This requirement includes
11 transmitting reports to the standard report recipients and any
12 other required recipients by email and posting the reports on an
13 internet site.

14 Sec. 208. The department shall receive and retain copies of
15 all reports funded from appropriations in part 1. The department
16 shall follow federal and state guidelines for short-term and long-
17 term retention of records. The department may electronically retain
18 copies of reports unless otherwise required by federal and state
19 guidelines.

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

29 Sec. 210. Not later than 14 days after the release of the



1 executive budget recommendation, the department shall cooperate
2 with the state budget office to provide an annual report on
3 estimated state restricted fund balances, state restricted fund
4 projected revenues, and state restricted fund expenditures for the
5 previous 2 fiscal years. The report must be submitted to the
6 standard report recipients and to the chairpersons of the senate
7 and house of representatives appropriations committees.

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

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

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

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

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

21 Sec. 212. Consistent with section 217 of the management and
22 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
23 a report on out-of-state travel expenses not later than January 1.
24 The report must list all travel outside this state by classified
25 and unclassified employees in the previous fiscal year that was
26 funded in whole or in part with funds appropriated in the
27 department's budget. The department shall submit the report to the
28 standard report recipients and to the senate and house
29 appropriations committees. The report must include all of the



1 following information:

2 (a) The dates of each travel occurrence.

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

8 Sec. 213. On a quarterly basis, the department shall report on
9 the number of full-time equated positions in pay status by civil
10 service classification, including a comparison by line item of the
11 number of full-time equated positions authorized from funds
12 appropriated in part 1 to the actual number of full-time equated
13 positions employed by the department at the end of the reporting
14 period. The report must be submitted to the standard report
15 recipients and to the senate and house appropriations committees.

16 Sec. 214. Not later than April 1, the department shall report
17 on each specific policy change made to implement a public act
18 affecting the department that took effect during the previous
19 calendar year. The report must include reference to the public act
20 that necessitates the policy change. The department shall submit
21 the report to the standard report recipients, the senate and house
22 appropriations committees, and the joint committee on
23 administrative rules.

24 Sec. 215. (1) From the funds appropriated in part 1, the
25 department shall do the following:

26 (a) Report to the standard report recipients and to the senate
27 and house appropriations committees any amounts of severance pay
28 for a department director, deputy director, or other high-ranking
29 department official not later than 14 days after a severance



1 agreement with the director, deputy director, or official is
2 signed. The name of the director, deputy director, or official and
3 the amount of severance pay must be included in the report required
4 by this subdivision.

5 (b) Not later than February 1, report on the total amount of
6 severance pay remitted to former department employees during the
7 prior fiscal year and the total number of former department
8 employees that were remitted severance pay during the prior fiscal
9 year.

10 (2) As used in this section, "severance pay" means
11 compensation to which both of the following apply:

12 (a) The compensation is payable or paid upon the termination
13 of employment.

14 (b) The compensation is paid in addition to either wages or
15 benefits earned during the course of employment or generally
16 applicable retirement benefits.

17 Sec. 216. (1) The department shall maximize the efficiency of
18 the state workforce. The department shall prioritize employees
19 working in person 5 days per week for each division within the
20 department. Employees with job responsibilities that require the
21 employees to serve in their capacities outside of the office must
22 report to the office before beginning fieldwork. Field service
23 employees include, but are not limited to, protective services
24 workers, parole and probation officers, conservation officers,
25 state troopers assigned to road patrol, inspectors, and
26 construction and trade workers.

27 (2) The department shall establish a policy and process for
28 verifying that all employees are working their jobs during normal
29 business hours.



1 (3) The department shall provide information on employee badge
2 scanning when requested by a member of the legislature.

3 Sec. 217. (1) Funds appropriated in part 1 that are utilized
4 for grants or grant programs are subject to the following
5 conditions:

6 (a) Grant funds must be provided only to an entity that has
7 been established or is operating in this state or another state for
8 at least 36 months before approval or disbursement of grant funds.

9 (b) Grant funds must be provided only to an entity that has
10 had an office within this state or in the service area covered
11 under the grant for at least 12 months before approval or
12 disbursement of grant funds.

13 (c) Before awarding or disbursing grant funds, all grant
14 recipients must provide a spending plan that specifies the scope of
15 service, the program goals, the measurement for meeting program
16 goals, and how all grant funds will be used and must indicate if
17 any grant funds will be provided to a third party or subrecipient.

18 (d) Up to 20% of grant funds may be spent on administrative
19 costs and salaries. Up to 10% is authorized for contingencies.

20 (e) Each department or agency responsible for awarding or
21 disbursing grant funds must annually audit the entity's use of the
22 grant funds for each fiscal year in which the grant is active. Each
23 entity must submit information requested by the department to
24 confirm compliance.

25 (f) Each department and agency shall work with the office of
26 the auditor general to conduct an audit of the grant according to
27 generally accepted accounting practices and audit standards. The
28 office of the auditor general must be given access to all internal
29 and external records. All contracts or agreements between a



1 department or agency and a grant recipient or between a grant
2 recipient and a third party must include a clause granting the
3 office of the auditor general access to all internal and external
4 records.

5 (g) Grant recipients and their immediate family members are
6 prohibited from being employed by the executive branch or
7 legislative branch of this state. In addition, grant recipients are
8 prohibited from serving on any state board that has direct or
9 indirect responsibility for approving of or auditing grant funds
10 awarded or disbursed by any department or agency.

11 (h) Full and complete audits of grant funds issued by the
12 department or an agency of this state, without redaction unless
13 required by law, must be posted to the department's website in a
14 conspicuous place for public review.

15 (2) On a quarterly basis, the department shall submit a report
16 to the standard report recipients on legislatively sponsored grant
17 funds that includes, but is not limited to, all of the following:

18 (a) The name of each grant recipient and the status of each
19 grant.

20 (b) The amount distributed to each grant recipient.

21 (c) The remaining amount to be distributed to each grant
22 recipient.

23 (d) Any changes to scope or costs of program.

24 (3) The report under subsection (2) must include the following
25 statements made by the department:

26 (a) A statement that confirms the department reviewed and
27 affirmed compliance by each grant recipient to program scope and
28 expenditure of grant funding.

29 (b) A statement that confirms the department reviewed



1 applicable program reports and requests for reimbursement.

2 Sec. 218. (1) The department shall require as a condition of
3 each contract or subcontract that the prequalified contractor or
4 prequalified subcontractor agree to use the E-Verify system to
5 verify that all persons hired during the contract term by the
6 contractor or subcontractor are legally present and authorized to
7 work in the United States.

8 (2) The department may verify this information directly or may
9 require contractors and subcontractors to verify the information
10 and submit a certification to the department. The department shall
11 submit a report to the standard report recipients not later than
12 March 1 of each year that describes the processes it has developed
13 and implemented under provisions of this section.

14 (3) The department shall not contract with any foreign
15 entities that are known or suspected to be enemies of the United
16 States, or known foreign adversaries. Foreign adversaries include
17 all of the following:

18 (a) The People's Republic of China.

19 (b) The Russian Federation.

20 (c) The Islamic Republic of Iran.

21 (d) The Democratic People's Republic of Korea.

22 (e) The Republic of Cuba.

23 (f) The Venezuelan regime of Nicolás Maduro.

24 (g) The Syrian Arab Republic.

25 (h) An agency or other entity under significant control of a
26 country described in subdivisions (a) to (g).

27 (4) As used in this section, "E-Verify" means an internet-
28 based system operated by the Department of Homeland Security, U.S.
29 Citizenship and Immigration Services in partnership with the Social



1 Security Administration.

2 Sec. 219. Funds appropriated in part 1 from state or federal
3 sources are prohibited from being used to provide services, grants,
4 or programming to an individual who is not a citizen of the United
5 States, unless the individual is a qualified alien as that term is
6 defined in 8 USC 1641. This section does not prohibit the
7 department, political subdivision, state university, or other state
8 agency from expending funds for the purpose of detaining
9 individuals who are not citizens of the United States, including
10 any costs associated with housing such individuals in county jails
11 or state correctional facilities.

12 Sec. 221. (1) In addition to the funds appropriated in part 1,
13 there is appropriated an amount not to exceed \$20,000,000.00 for
14 federal contingency authorization. Amounts appropriated under this
15 subsection are not available for expenditure until they have been
16 transferred to another line item in part 1 under section 393(2) of
17 the management and budget act, 1984 PA 431, MCL 18.1393. Federal
18 contingency authorization must not be made available to increase
19 TANF authorization.

20 (2) In addition to the funds appropriated in part 1, there is
21 appropriated an amount not to exceed \$20,000,000.00 for state
22 restricted contingency authorization. Amounts appropriated under
23 this subsection are not available for expenditure until they have
24 been transferred to another line item in part 1 under section
25 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

26 (3) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$5,000,000.00 for local
28 contingency authorization. Amounts appropriated under this
29 subsection are not available for expenditure until they have been



1 transferred to another line item in part 1 under section 393(2) of
2 the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

12 Sec. 223. The department shall submit a quarterly report that
13 summarizes all work project accounts. The report must include all
14 of the following:

15 (a) A list of all work project accounts.

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

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

23 Sec. 224. Total authorized appropriations from all sources
24 under part 1 for legacy costs for the fiscal year ending September
25 30, 2026 are estimated at \$201,838,700.00. From this amount, total
26 department appropriations for pension-related legacy costs are
27 estimated at \$182,045,900.00. Total department appropriations for
28 retiree health care legacy costs are estimated at \$19,792,800.00.

29 Sec. 225. (1) The department shall maintain, on a publicly



1 accessible website, a department scorecard that identifies, tracks,
2 and updates on a quarterly basis key metrics that are used to
3 monitor and improve the department's performance.

4 (2) The department must notify the standard report recipients
5 when the quarterly updates to the department scorecard are
6 available on a publicly accessible website.

7 Sec. 226. (1) Unless specifically authorized elsewhere in this
8 part or part 1, funds appropriated in part 1 must not be used to
9 pay for a state obligation that exceeds \$200,000.00 for a court-
10 approved judgment, settlement, award, or claim without prior
11 legislative approval.

12 (2) If a state obligation for a court-approved judgment,
13 settlement, award, or claim results in a change from current
14 statute, the department shall notify the legislature.

15 (3) This section does not apply to compensation and other
16 relief to individuals wrongfully imprisoned as required under the
17 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
18 to 691.1757.

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

27 Sec. 228. State funds must not be used for diversity, equity,
28 and inclusion, or DEI, initiatives or programs or as outlined in
29 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending



1 Radical and Wasteful Government DEI Programs and Preferencing",
2 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
3 Women from Gender Ideology Extremism and Restoring Biological Truth
4 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
5 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
6 Merit-Based Opportunity".

7 Sec. 250. If either of the following events occurs, not later
8 than 30 days after the event occurs, the department shall notify
9 the standard report recipients of that fact:

10 (a) A legislative objective of this part or of a bill or
11 amendment to a bill to amend the social welfare act, 1939 PA 280,
12 MCL 400.1 to 400.119b, cannot be implemented because implementation
13 would conflict with or violate federal law.

14 (b) A federal grant for which a notice of an award has been
15 received cannot be used or will not be used.

16 Sec. 251. (1) In addition to funds appropriated in part 1 for
17 all programs and services, there is appropriated, for write-offs of
18 accounts receivable, deferrals, and for prior year obligations in
19 excess of applicable prior year appropriations, an amount equal to
20 total write-offs and prior year obligations, but not to exceed
21 amounts available in prior year revenues.

22 (2) The department's ability to satisfy appropriation fund
23 sources in part 1 is not limited to collections and accruals
24 pertaining to services provided in the current fiscal year and
25 includes reimbursements, refunds, adjustments, and settlements from
26 prior years.

27 Sec. 252. Not later than February 1 of the current fiscal
28 year, the department shall submit, to the standard report
29 recipients, a report on the detailed names and amounts of estimated



1 federal, restricted, private, and local sources of revenue that
2 support the appropriations in each of the line items in part 1 for
3 the previous fiscal year. The report must itemize, rather than
4 aggregate, specific revenue sources deposited into the generic
5 statewide integrated governmental management application (SIGMA)
6 fund numbers 1200, 1274, 4000, and 5000.

7 Sec. 253. (1) The department shall ensure that each federally
8 recognized tribe is able to apply and compete for services,
9 programs, grants, and contracts.

10 (2) For competitive grant programs described in this part,
11 each federally recognized tribe is eligible to apply for grant
12 funds made available to organizations exempt from federal income
13 tax under section 501(c)(3) of the internal revenue code of 1986,
14 26 USC 501, and to local units of government.

15 Sec. 254. As required under part 23 of the public health code,
16 1978 PA 368, MCL 333.2301 to 333.2321, the appropriations in part 1
17 must include the following:

18 (a) Immunizations.

19 (b) Communicable disease control.

20 (c) Sexually transmitted infection control.

21 (d) Tuberculosis control.

22 (e) Prevention of gonorrhea eye infection in newborns.

23 (f) Screening newborn infants for the conditions listed in
24 section 5431 of the public health code, 1978 PA 368, MCL 333.5431,
25 or recommended by the newborn screening quality assurance advisory
26 committee created under section 5430 of the public health code,
27 1978 PA 368, MCL 333.5430.

28 (g) Health and human services annex of the Michigan Emergency
29 Management Plan.



1 (h) Prenatal care.

2 (i) Mental health.

3 Sec. 255. The department shall not expend any funds
4 appropriated in part 1 to enter into any contract or other
5 agreement with a nonprofit organization, or its individual
6 employees, established under section 2611 of the public health
7 code, 1978 PA 368, MCL 333.2611, for the purpose of performing all
8 or any portion of the department's regulatory, disciplinary, or
9 administrative duties.

10 Sec. 256. The department shall ensure that faith-based
11 organizations are able to apply and compete for services, programs,
12 or contracts that the organizations are qualified and suitable to
13 fulfill. The department shall not disqualify faith-based
14 organizations solely on the basis of the religious nature of the
15 organizations or the guiding principles or statements of faith for
16 the organizations.

17 Sec. 257. In accordance with section 1b of the social welfare
18 act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and
19 this part as a time-limited addendum to the social welfare act,
20 1939 PA 280, MCL 400.1 to 400.119b.

21 Sec. 258. (1) Not later than 30 days before the implementation
22 date of a major policy change, the department shall report the
23 change to the standard report recipients.

24 (2) The department shall make the department's entire policy
25 and procedures manual available and accessible to the public on the
26 department's website.

27 (3) The department shall attach each policy bulletin issued
28 during the previous calendar year to the report under section 214.

29 Sec. 259. The department may establish and collect fees for



1 publications, videos and related materials, conferences, and
2 workshops. Collected fees are appropriated when received and must
3 be used to offset expenditures for publication printing and
4 mailing, costs of the publications, videos and related materials,
5 conferences, and workshops. The department shall not collect fees
6 under this section that exceed the cost of the expenditures. If
7 collected fees are appropriated under this section in an amount
8 that exceeds the current fiscal year appropriation, not later than
9 30 days after the collected fee appropriation, the department shall
10 notify the standard report recipients of that fact.

11 Sec. 260. The department may retain all of this state's share
12 of food assistance overissuance collections as an offset to general
13 fund/general purpose costs. Retained collections must be applied
14 against federal funds deductions in all appropriation units where
15 department costs related to the investigation and recoupment of
16 food assistance overissuances are incurred. Retained collections in
17 excess of the investigation and recoupment costs must be applied
18 against the federal funds deducted in the departmental
19 administration and support appropriation unit.

20 Sec. 261. If the revenue collected by the department from fees
21 and collections exceeds the amount appropriated in part 1, the
22 revenue may be carried forward with the approval of the state
23 budget director into the subsequent fiscal year. The revenue
24 carried forward under this section must be used as the first source
25 of funds in the subsequent fiscal year.

26 Sec. 262. If the department receives tobacco tax funds and
27 Healthy Michigan fund revenue from part 1, not later than April 1
28 of the current fiscal year, the department shall submit, to the
29 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. 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. 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



1 of the overpayment amount, the department may assess a penalty of
2 1% per month. If an overpayment is caused by department error, a
3 penalty may be assessed 6 months after the initial notification
4 date of the overpayment amount. The department shall not collect
5 penalty interest in an amount that exceeds the amount of the
6 original overpayment. This state's share of any funds collected
7 under this section must be deposited in the general fund of this
8 state.

9 Sec. 265. Not later than March 1 of the current fiscal year,
10 the department shall submit, to the standard report recipients, a
11 report on the status of the implementation of any noninflationary,
12 noncaseload, programmatic funding increases in the current fiscal
13 year from the previous fiscal year. The report must confirm the
14 implementation of already-implemented funding increases and provide
15 an explanation for any planned implementation of funding increases
16 that have not yet occurred. For any planned implementation of
17 funding increases that have not yet occurred, the report must
18 include an expected implementation date and the reason for delayed
19 implementation.

20 Sec. 266. The department shall provide the approved spending
21 plan for each line item receiving an appropriation in the current
22 fiscal year to the senate and house of representatives
23 appropriations subcommittees on the department budget and the
24 senate and house fiscal agencies not later than 60 days after
25 approval by the department or not later than January 15 of the
26 current fiscal year, whichever is earlier. In all places that a
27 line-item appropriation number is listed, a line-item appropriation
28 name must be included. The spending plan must include the following
29 information regarding planned expenditures for each category:



1 allocation in the previous period, change in the allocation, and
2 new allocation. The spending plan must include the following
3 information regarding each revenue source for the line item:
4 category of the fund source indicated by general fund/general
5 purpose, state restricted, local, private, or federal. Figures
6 included in the approved spending plan must not be assumed to
7 constitute the actual final expenditures, as line items may be
8 updated on an as-needed basis to reflect changes in projected
9 expenditures and projected revenue. The department shall supplement
10 the spending plan information by providing a list of all active
11 contracts and grants in the department's contract system. For
12 amounts listed in the other contracts category of each spending
13 plan, the department shall include the name of the line item and
14 the name of the fund source for each contract, grant, and amount
15 for the current fiscal year. For amounts listed in the all other
16 costs category of each spending plan, the department shall provide
17 a list detailing planned expenditures and amounts for the current
18 fiscal year and include the name of the line item and the name of
19 the fund source related to each expenditure and amount.

20 Sec. 267. Not later than March 1 of the current fiscal year,
21 the department shall submit, to the standard report recipients, a
22 report on total actual expenditures in the previous fiscal year for
23 advertising and media outreach, including the purpose, amount, and
24 fund source by program or appropriation line item.

25 Sec. 268. Not later than March 1 of the current fiscal year,
26 the department shall submit a description of programs report to the
27 standard report recipients. For each program, the report must
28 include the appropriation unit; the line item name and number; the
29 appropriation history; the program name; the program overview; a



1 financing summary; and, where applicable, the program's legal
2 basis, effectiveness, and outcomes.

3 Sec. 269. On a monthly basis, the department shall submit, to
4 the standard report recipients, a report on any line-item
5 appropriation for which the department estimates total annual
6 expenditures would exceed the funds appropriated for the line-item
7 appropriation by 5% or more. The department shall provide a
8 detailed explanation for any relevant line-item appropriation
9 exceedance and identify the corrective actions undertaken to
10 mitigate line-item appropriation expenditures from exceeding the
11 funds appropriated for the line-item appropriation by a greater
12 amount. This section does not apply for line-item appropriations
13 that are part of the May revenue estimating conference caseload and
14 expenditure estimates.

15 Sec. 270. The department shall advise the legislature of the
16 receipt of a notification from the attorney general's office of a
17 legal action in which expenses had been recovered under section
18 106(6) of the social welfare act, 1939 PA 280, MCL 400.106. If
19 applicable, not later than February 1 of the current fiscal year,
20 the department shall submit, to the standard report recipients, a
21 report that includes, but is not limited to, all of the following:

22 (a) The total amount recovered from the legal action.

23 (b) The program or service for which the money was originally
24 expended.

25 (c) Details on the disposition of the funds recovered, such as
26 the appropriation or revenue account in which the money was
27 deposited.

28 (d) A description of the facts involved in the legal action.

29 (e) The legal costs incurred at the attorney general's office



1 for each legal action in which expenses were recovered under
2 section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.

3 Sec. 274. On the day that is 1 week after the day that the
4 governor submits the executive budget proposal for the ensuing
5 fiscal year to the legislature, the department, in collaboration
6 with the state budget office, shall submit, to the standard report
7 recipients, a report on spending and revenue projections for each
8 of the capped federal funds listed in this subsection. The report
9 must contain actual spending and revenue in the previous fiscal
10 year, spending and revenue projections for the current fiscal year
11 as enacted, and spending and revenue projections in the executive
12 budget proposal for the immediately ensuing fiscal year for each
13 individual line item for the department budget. The report must
14 also include federal funds transferred to other departments. The
15 capped federal funds include, but are not limited to, all of the
16 following:

17 (a) TANF.

18 (b) Title XX social services block grant.

19 (c) Title IV-B subpart I child welfare services block grant.

20 (d) Title IV-B subpart II promoting safe and stable families
21 funds.

22 (e) Low-income home energy assistance program.

23 Sec. 275. (1) On a quarterly basis, the department, with the
24 approval of the state budget director, is authorized to realign
25 sources between other federal, TANF, and capped federal financing
26 authorizations to maximize federal revenues. The realignment of
27 financing must not produce any of the following:

28 (a) A gross increase or decrease in the department's total
29 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.

HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES

Sec. 1140. From the funds appropriated in part 1 for primary



1 care services, \$400,000.00 is allocated to free health clinics
2 operating in this state. The department shall distribute the funds
3 equally to each free health clinic. As used in this section, "free
4 health clinic" means a nonprofit organization that uses a volunteer
5 health professional to provide care to an uninsured individual.

6 Sec. 1143. From the funds appropriated in part 1 for primary
7 care services, the department shall allocate no less than
8 \$675,000.00 for island primary health care access and services,
9 including island clinics.

10 Sec. 1145. The department shall take steps necessary to work
11 with the Indian Health Service, tribal health program facilities,
12 or Urban Indian Health Program facilities, that provide services
13 under a contract with a Medicaid managed care entity to ensure that
14 the facilities described in this section receive the maximum amount
15 allowable under federal law for Medicaid services.

16 Sec. 1146. From the funds appropriated in part 1 for domestic
17 violence prevention and treatment, the department shall allocate
18 \$1,000,000.00 to support programs that serve survivors of domestic
19 violence, sexual violence, and human trafficking.

20 Sec. 1153. From the funds appropriated in part 1 for crime
21 victim rights sustaining grants, the department shall allocate
22 \$102,600.00 of state general fund/general purpose revenue for a
23 sexual assault nurse examiners program in areas that do not already
24 have a sexual assault nurse examiner that is funded by the crime
25 victim rights fund. The funds allocated under this section must be
26 used to support staff compensation and training, victim needs, and
27 community awareness, education, and prevention programs.

28 Sec. 1155. (1) From the funds appropriated in part 1 for the
29 uniform statewide sexual assault evidence kit tracking system, in



1 accordance with the final report of the Michigan sexual assault
2 evidence kit tracking and reporting commission, the department
3 shall allocate \$369,500.00 for administering a uniform statewide
4 sexual assault evidence kit tracking system. The system must
5 include all of the following:

6 (a) A uniform statewide system to track the submission and
7 status of sexual assault evidence kits.

8 (b) A uniform statewide system to audit untested kits that
9 were collected on or before March 1, 2015 and were released by
10 victims to law enforcement.

11 (c) Secure electronic access for victims.

12 (d) The ability to accommodate concurrent data entry with kit
13 collection through mechanisms that include, but are not limited to,
14 web entry through computers or smartphones, and through scanning
15 devices.

16 (2) The sexual assault evidence tracking fund established in
17 section 1451 of 2017 PA 158 shall continue to be maintained in the
18 department of treasury. Money in the sexual assault evidence
19 tracking fund at the close of a fiscal year remains in the sexual
20 assault evidence tracking fund, does not revert to the general
21 fund, and is appropriated as provided by law for the development
22 and implementation of a uniform statewide sexual assault evidence
23 kit tracking system as described in subsection (1).

24 Sec. 1157. (1) From the funds appropriated in part 1 for child
25 advocacy centers - supplemental grants, the department shall
26 allocate \$6,000,000.00 to provide additional funding to child
27 advocacy centers to support the general operations of child
28 advocacy centers. The department shall allocate the additional
29 funding to each center according to the formula under this section.



1 The department shall set a formula in consultation with children's
2 advocacy centers of Michigan (CAC-MI) to allocate the additional
3 funding. The formula must include base funding for each program and
4 factors, such as the number of children in the service area, square
5 miles of the service area, and prior service levels. The purpose of
6 the additional funding is to increase the amount of services
7 provided to children and their families who are victims of abuse
8 over the amount provided in the previous fiscal year.

9 (2) Not later than March 1 of the current fiscal year, the
10 department shall submit to the standard report recipients a report
11 on the distribution of child advocacy center - supplemental grants
12 funding from the previous fiscal year. The report must include the
13 amount allocated to each specific child advocacy center or other
14 community-based child protection entity, including, but not limited
15 to, child abuse councils.

16 Sec. 1158. From the funds appropriated in part 1 for crime
17 victim rights sustaining grants, the department shall allocate
18 \$25,897,400.00 to provide funding to address any shortfall in
19 federal victims of crime act (VOCA) funding. The department shall
20 set a formula to allocate the additional funding that includes
21 factors such as the population of the service area and prior
22 service levels.

23 Sec. 1160. Not later than March 1 of the current fiscal year,
24 the department shall submit to the standard report recipients a
25 report on the distribution of crime victim rights justice
26 assistance grants, crime victim rights services grants, and crime
27 victim rights sustaining grants from the previous fiscal year. The
28 report must include the amount allocated to nonprofit agencies for
29 crime victim services listed by agency and the amount of funding



1 that the department has used for administrative purposes.

2
3 **EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY**

4 Sec. 1180. From the funds appropriated in part 1 for
5 epidemiology administration and for childhood lead program, the
6 department shall maintain a public health drinking water unit and
7 maintain enhanced efforts to monitor child blood lead levels. The
8 public health drinking water unit shall ensure that appropriate
9 investigations of potential health hazards occur for all community
10 and noncommunity drinking water supplies where chemical exceedances
11 of action levels, health advisory levels, or maximum contaminant
12 limits are identified. The goals of the childhood lead program must
13 include improving the identification of children affected by lead
14 exposure, improving the timeliness of case follow-up, and attaining
15 nurse care management for children with lead exposure, and to
16 achieve a long-term reduction in the percentage of children in this
17 state with elevated blood lead levels.

18 Sec. 1181. From the funds appropriated in part 1 for
19 epidemiology administration, the department shall maintain a vapor
20 intrusion response unit. The vapor intrusion response unit shall
21 assess risks to public health at vapor intrusion sites and respond
22 to vapor intrusion risks if appropriate. The goals of the vapor
23 intrusion response unit must include reducing the number of
24 individuals who are exposed to toxic substances through vapor
25 intrusion and improving health outcomes for individuals who are
26 identified as having been exposed to vapor intrusion.

27 Sec. 1182. Not later than April 1 of the current fiscal year,
28 the department shall submit a report to the standard report
29 recipients on the expenditures and activities undertaken by the



1 lead abatement program during the previous fiscal year using the
2 funds previously appropriated for the healthy homes program. The
3 report must include, but is not limited to, a funding allocation
4 schedule, the expenditures by category of expenditure and by
5 subcontractor, the revenues received, a description of program
6 elements, the number of housing units abated of lead-based paint
7 hazards by zip code, and a description of program accomplishments
8 and progress.

9 Sec. 1186. (1) From the funds appropriated in part 1 for
10 emergency medical services program, the department shall allocate
11 \$2,000,000.00 for a stroke and STEMI system. The department shall
12 integrate the stroke and STEMI system into the statewide trauma
13 care system within the emergency medical services system and shall
14 ensure that the stroke and STEMI system complies with at least all
15 of the following requirements:

16 (a) A requirement that a facility is designated as a stroke
17 and STEMI facility if the department verifies that national
18 certification or accreditation standards for the facility have been
19 met.

20 (b) A requirement that a hospital is not required to be
21 designated as providing certain levels of care for stroke or STEMI.

22 (c) A requirement to develop and use stroke and STEMI
23 registries that utilize nationally recognized data platforms with
24 confidentiality standards.

25 (2) Not later than March 1 of the current fiscal year, the
26 department shall submit a report to the standard report recipients
27 on the expenditures and activities undertaken by the stroke and
28 STEMI system in the previous fiscal year from the funds
29 appropriated under section 1186(1) of article 6 of 2021 PA 87. The



1 report must include, but is not limited to, a funding allocation
2 schedule, expenditures by category of expenditure and by vendor or
3 grantee, and a description of program accomplishments and progress.

4 (3) As used in this section:

5 (a) "STEMI" means an ST-elevation myocardial infarction.

6 (b) "Stroke and STEMI system" means a statewide stroke and
7 STEMI system of care for time-sensitive emergencies.

8
9 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

10 Sec. 1220. The amount appropriated in part 1 for
11 implementation of the 1993 additions of or amendments to sections
12 9161, 16221, 16226, 17014, 17015, and 17515 of the public health
13 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,
14 333.17015, and 333.17515, must be used to reimburse local health
15 departments for costs incurred to implement section 17015(18) of
16 the public health code, 1978 PA 368, MCL 333.17015.

17 Sec. 1221. If a county that participates in a district health
18 department or has an associated arrangement with another local
19 health department takes action to stop participating in that
20 arrangement after October 1 of the current fiscal year, the
21 department may assess a penalty from the local health department's
22 operational accounts in an amount equal to no more than 6.25% of
23 the local health department's essential local public health
24 services funding. The department shall assess a penalty only if a
25 county requests the dissolution of the county's local health
26 department.

27 Sec. 1222. (1) The department shall prospectively allocate
28 funds appropriated in part 1 for essential local public health
29 services to local health departments to support immunizations,



1 infectious disease control, sexually transmitted disease control
2 and prevention, hearing screening, vision services, food
3 protection, public water supply, private groundwater supply, and
4 on-site sewage management. The department shall consult with the
5 department of agriculture and rural development before allocating
6 funds for food protection under this section. The department shall
7 consult with the department of environment, Great Lakes, and energy
8 before allocating funds for public water supply, private
9 groundwater supply, and on-site sewage management under this
10 section.

11 (2) The department shall not distribute funds under subsection
12 (1) to a county unless the county maintains local spending in the
13 current fiscal year in an amount that is equal to or exceeds the
14 amount the county expended in fiscal year 1992-1993 for the
15 services described in subsection (1).

16 (3) Not later than February 1 of the current fiscal year, the
17 department shall submit a report to the standard report recipients
18 on the planned allocation of the funds appropriated for essential
19 local public health services.

20 (4) The department shall continue to implement the
21 distribution formula for allocating essential local public health
22 services funding to local health departments as specified in
23 section 1234 of article X of 2018 PA 207.

24 (5) From the funds appropriated in part 1 for essential local
25 public health services, each local public health department is
26 allocated not less than the amount allocated to that local public
27 health department during the previous fiscal year.

28 Sec. 1227. The department shall establish criteria for all
29 funds allocated for health and wellness initiatives. The criteria



1 must include a requirement that a program receiving funding is
2 evidence-based and supported by research, includes interventions
3 that have been shown to demonstrate outcomes that lower cost and
4 improve quality, and is designed for statewide impact. The
5 department shall give preference to a program that uses the funding
6 as match for additional resources, including, but not limited to,
7 federal sources.

8 Sec. 1231. (1) From the funds appropriated for local health
9 services, not less than \$4,750,000.00 is allocated for grants to
10 local health departments to support PFAS response and emerging
11 public health threat activities. Eligible expenditures for emerging
12 health threats include, but are not limited to, infectious and
13 vector-borne disease threats, and other environmental contamination
14 issues, such as vapor intrusion, drinking water contamination, and
15 lead exposure. The department shall allocate the funding to address
16 issues including, but not limited to, staffing, planning and
17 response, and creating and disseminating materials related to PFAS
18 contamination issues and other emerging public health issues and
19 threats.

20 (2) Not later than March 1 of the current fiscal year, the
21 department shall submit a report to the standard report recipients
22 on actual expenditures in the previous fiscal year and planned
23 spending in the current fiscal year of the funds described in
24 subsection (1). The report must include recipient entities, the
25 amount of allocation, the general category of allocation, and
26 detailed uses.

27 Sec. 1232. The department may work to ensure that the United
28 States Department of Defense reimburses the state for costs
29 associated with PFAS and environmental contamination response at



1 military training sites and support facilities.

2 Sec. 1233. The department shall not expend general fund and
3 state restricted fund appropriations in part 1 for PFAS and
4 environmental contamination response if federal funding or private
5 grant funding is available for the same expenditures.

6 Sec. 1239. The department shall participate in and give
7 necessary assistance to the Michigan PFAS action response team
8 (MPART) pursuant to Executive Order No. 2019-03. The department
9 shall collaborate with MPART and other departments to carry out
10 appropriate activities, actions, and recommendations as coordinated
11 by MPART. Efforts must be continuous to ensure that the
12 department's activities are not duplicative with activities of
13 another department or agency.

14 Sec. 1240. From the funds appropriated in part 1 for chronic
15 disease control and health promotion administration, \$70,000.00 is
16 allocated to support a rare disease advisory council and the
17 responsibilities of the rare disease advisory council, which may
18 include all of the following:

19 (a) Developing a list of rare diseases.

20 (b) Posting the list of rare diseases on the department's
21 website.

22 (c) Updating the list of rare diseases.

23 (d) Annually investigating and reporting to the legislature on
24 1 rare disease on the list, and including legislative
25 recommendations in the report.

26
27 **FAMILY HEALTH SERVICES**

28 Sec. 1301. (1) Not later than April 1 of the current fiscal
29 year, the department shall submit to the standard report recipients



1 a report on planned allocations from the amounts appropriated in
2 part 1 for local MCH services, prenatal care outreach and service
3 delivery support, family planning local agreements, and pregnancy
4 prevention programs. Using applicable federal definitions, the
5 report must include information on all of the following:

6 (a) The funding allocations.

7 (b) The actual number of women, children, and adolescents
8 served and the amounts expended for each group for the previous
9 fiscal year.

10 (c) A breakdown of the expenditure of the funds between urban
11 and rural communities.

12 (2) The department shall ensure that the distribution of funds
13 through the programs described in subsection (1) takes into account
14 the needs of rural communities.

15 (3) As used in this section, "rural community" means any of
16 the following:

17 (a) A county, city, village, or township with a population of
18 30,000 or less.

19 (b) A county, city, village, or township described in
20 subdivision (a), if it is located within a metropolitan statistical
21 area.

22 Sec. 1303. The department shall only contract with local
23 health departments and shall not contract with an organization that
24 provides elective abortions, abortion counseling, or abortion
25 referrals, for services that are to be funded with federal title X,
26 state restricted, or state general fund/general purpose funds
27 appropriated in part 1 for family planning local agreements. A
28 local health department under contract with the department shall
29 not subcontract with an organization that provides elective



1 abortions, abortion counseling, or abortion referrals, for services
2 that are to be funded with federal title X, state restricted, or
3 state general fund/general purpose funds appropriated in part 1 for
4 family planning local agreements.

5 Sec. 1308. From the funds appropriated in part 1 for prenatal
6 care outreach and service delivery support, the department shall
7 allocate not less than \$500,000.00 for evidence-based programs to
8 reduce infant mortality. The funds must be used for enhanced
9 support and education to nursing teams or other teams of health
10 professionals that the department considers qualified, client
11 recruitment in areas designated as underserved for obstetrical and
12 gynecological services and in other high-need communities,
13 strategic planning to expand and sustain programs, and marketing
14 and communications of programs to raise awareness, engage
15 stakeholders, and recruit nurses.

16 Sec. 1311. From the funds appropriated in part 1 for prenatal
17 care outreach and service delivery support, the department shall
18 allocate not less than \$2,750,000.00 of state general fund/general
19 purpose revenue for a rural home visit program. The department
20 shall give equal consideration to all eligible evidence-based
21 providers in all regions in contracting for rural home visitation
22 services.

23 Sec. 1313. (1) From the funds appropriated in part 1, the
24 department shall continue developing an outreach program on fetal
25 alcohol syndrome services, targeting health promotion, prevention,
26 and intervention.

27 (2) The department shall explore federal grant funding to
28 address prevention services for fetal alcohol syndrome and to
29 reduce alcohol consumption among pregnant women.



1 Sec. 1314. From the funds appropriated in part 1, the
2 department shall enhance the department's education and outreach
3 efforts that encourage women of childbearing age to seek the
4 confirmation of a pregnancy at the earliest indication of a
5 possible pregnancy and to initiate continuous and routine prenatal
6 care on the confirmation of a pregnancy. The department shall
7 ensure that the department's programs, policies, and practices
8 promote prenatal and obstetrical care by doing all of the
9 following:

10 (a) Supporting access to care.

11 (b) Reducing and eliminating barriers to care.

12 (c) Supporting recommendations for best practices.

13 (d) Encouraging optimal prenatal habits, including, but not
14 limited to, prenatal medical visits, use of prenatal vitamins, and
15 the cessation of tobacco use, alcohol use, or drug use.

16 (e) Tracking birth outcomes to study improvements in
17 prevalence of neonatal substance exposure, fetal alcohol syndrome,
18 and other preventable neonatal disease.

19 (f) Tracking maternal increase in healthy behaviors following
20 childbirth.

21 Sec. 1315. From the funds appropriated in part 1 for dental
22 programs, the department may partner with an entity for the
23 administration of a volunteer dental program that provides dental
24 services to the uninsured.

25 Sec. 1316. The department shall use revenue from permit fees
26 for mobile dental facilities that the department receives under
27 section 21605 of the public health code, 1978 PA 368, MCL
28 333.21605, to offset the costs of processing and issuing permits
29 for mobile dental facilities.



1 Sec. 1317. The department shall make available on the
2 department's website the certified nonmedical waiver form for the
3 public to access and submit for the purposes of exempting a child
4 from immunization requirements prior to enrolling in a public or
5 nonpublic school for the first time. The department shall not
6 require individuals to schedule in-person appointments with their
7 local health department to receive a nonmedical waiver form. The
8 department shall not require individuals to receive in-person
9 education on vaccines.

10 Sec. 1341. The department shall use income eligibility and
11 verification guidelines established by the Food and Nutrition
12 Service agency of the United States Department of Agriculture to
13 determine eligibility of individuals for the special supplemental
14 nutrition program for women, infants, and children (WIC) as stated
15 in current WIC policy.

16 Sec. 1343. (1) From the funds appropriated in part 1 for
17 dental programs, the department shall allocate \$4,260,000.00 of
18 state and local funds, plus any private contributions received to
19 support the program, to establish and maintain the dental oral
20 assessment program described in section 9316 of the public health
21 code, 1978 PA 368, MCL 333.9316.

22 (2) Not later than December 31 of the current fiscal year, the
23 department shall submit a report to the standard report recipients
24 that provides a summary of the dental reports the department
25 receives from principals and administrators under section 9316 of
26 the public health code, 1978 PA 368, MCL 333.9316.

27 Sec. 1349. Subject to federal approval, from the funds
28 appropriated in part 1 for immunization program, the department
29 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.

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. 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.

ARTICLE 6C



DEPARTMENT OF HEALTH AND HUMAN SERVICES - 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 classified positions	9,500.0	
--	---------	--

GROSS APPROPRIATION		\$ 6,173,979,900
----------------------------	--	-------------------------

Interdepartmental grant revenues:		
-----------------------------------	--	--

Total interdepartmental grants and intradepartmental transfers	8,460,900	
--	-----------	--

ADJUSTED GROSS APPROPRIATION		\$ 6,165,519,000
-------------------------------------	--	-------------------------

Federal revenues:		
-------------------	--	--

Capped federal revenues	440,400,500	
-------------------------	-------------	--

Social security act, temporary assistance for needy families	453,048,800	
--	-------------	--

Total other federal revenues	3,918,417,100	
------------------------------	---------------	--

Special revenue funds:		
------------------------	--	--

Total local revenues	51,880,100	
----------------------	------------	--

Total private revenues	8,245,100	
------------------------	-----------	--

Total other state restricted revenues	71,576,500	
---------------------------------------	------------	--

State general fund/general purpose		\$ 1,221,950,900
---	--	-------------------------

Sec. 102. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions	182.0	
--	-------	--

Child support enforcement operations--FTEs	178.0	\$ 25,512,600
--	-------	---------------

Child support incentive payments	24,409,600	
----------------------------------	------------	--



1	Legal support contracts		122,600,300
2	State disbursement unit--FTEs	4.0	7,121,400
3	GROSS APPROPRIATION	\$	179,643,900
4	Appropriated from:		
5	Federal revenues:		
6	Capped federal revenues		16,252,700
7	Total other federal revenues		138,401,500
8	State general fund/general purpose	\$	24,989,700
9	Sec. 103. COMMUNITY SERVICES AND OUTREACH		
10	Full-time equated classified positions	43.1	
11	Bureau of community services and outreach--FTEs	15.6	\$ 2,477,800
12	Community services and outreach administration--		
13	-FTEs	15.5	7,097,000
14	Community services block grant		20,840,000
15	Diaper assistance grant		3,000,000
16	Homeless programs--FTE	1.0	30,504,100
17	Housing and support services		13,031,000
18	Runaway and homeless youth grants		13,126,100
19	Weatherization assistance		21,860,300
20	Weatherization assistance IIJA--FTEs	11.0	35,013,000
21	GROSS APPROPRIATION	\$	146,949,300
22	Appropriated from:		
23	Federal revenues:		
24	Capped federal revenues		86,984,800
25	Social security act, temporary assistance for		
26	needy families		26,825,600
27	Total other federal revenues		14,483,300
28	State general fund/general purpose	\$	18,655,600

1	Sec. 104. CHILDREN'S SERVICES AGENCY - CHILD		
2	WELFARE		
3	Full-time equated classified positions	3,458.4	
4	Adoption subsidies	\$	233,486,300
5	Adoption support services--FTEs	9.0	41,751,400
6	Attorney general contract		5,191,100
7	Child abuse and neglect - children's justice		
8	act--FTE	1.0	628,900
9	Child care fund		312,889,100
10	Child care fund - indirect cost allotment		3,500,000
11	Child protection		2,050,300
12	Child welfare administration travel		390,000
13	Child welfare licensing--FTEs	48.4	6,192,100
14	Child welfare local office staff - noncaseload		
15	compliance--FTEs	353.0	42,404,300
16	Child welfare medical/psychiatric evaluations		9,428,500
17	Children's protective services - caseload		
18	staff--FTEs	1,365.0	143,560,700
19	Children's protective services supervisors--		
20	FTEs	339.7	43,210,000
21	Children's services administration--FTEs	160.0	22,115,400
22	Children's trust fund--FTEs	3.0	3,661,200
23	Contractual services, supplies, and materials		9,567,600
24	Education planners--FTEs	3.0	430,000
25	Family preservation and prevention services		
26	administration--FTEs	9.0	1,422,400
27	Family preservation programs--FTEs	20.0	63,703,700
28	Foster care payments		370,760,100



1	Foster care services - caseload staff--FTEs	794.3	78,549,900
2	Foster care services supervisors--FTEs	193.0	27,474,700
3	Guardianship assistance program		13,083,500
4	Interstate compact		179,600
5	Permanency resource managers--FTEs	28.0	3,599,400
6	Prosecuting attorney contracts		8,142,800
7	Second line supervisors and technical staff--		
8	FTEs	126.0	20,335,200
9	Settlement monitor		2,709,800
10	Strong families/safe children		11,600,000
11	Title IV-E compliance and accountability		
12	office--FTEs	3.0	341,900
13	Youth in transition--FTEs	3.0	7,999,200
14	GROSS APPROPRIATION		\$ 1,490,359,100
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDG from department of lifelong education,		
18	advancement, and potential		244,400
19	Federal revenues:		
20	Capped federal revenues		94,780,100
21	Social security act, temporary assistance for		
22	needy families		277,833,100
23	Total other federal revenues		266,427,700
24	Special revenue funds:		
25	Local funds - county chargeback		45,457,000
26	Private - collections		557,400
27	Children's trust fund		2,895,300
28	Total other state restricted revenues		3,719,400



1	State general fund/general purpose	\$	798,444,700
2	Sec. 105. CHILDREN'S SERVICES AGENCY - JUVENILE		
3	JUSTICE		
4	Full-time equated classified positions	61.8	
5	Bay Pines Center--FTEs	48.8	\$ 6,388,600
6	Committee on juvenile justice administration--		
7	FTE	1.0	173,200
8	Committee on juvenile justice grants		3,000,000
9	Community support services--FTEs	2.0	2,383,200
10	County juvenile officers		3,977,600
11	Juvenile justice, administration and		
12	maintenance--FTEs	10.0	4,073,600
13	GROSS APPROPRIATION	\$	19,996,200
14	Appropriated from:		
15	Federal revenues:		
16	Capped federal revenues		7,395,200
17	Total other federal revenues		112,200
18	Special revenue funds:		
19	Local funds - county chargeback		2,501,600
20	Local funds - state share education funds		654,900
21	State general fund/general purpose	\$	9,332,300
22	Sec. 106. PUBLIC ASSISTANCE		
23	Full-time equated classified positions	1.0	
24	Emergency services local office allocations	\$	14,313,500
25	Family independence program		47,315,300
26	Family independence program - clothing		
27	allowance		10,000,000



1	Family independence program - child		
2	supplemental payment		20,240,100
3	Family independence program - kinship care		
4	supplemental payment		5,000,000
5	Food assistance program benefits		3,166,249,400
6	Indigent burial		2,800,000
7	Low-income home energy assistance program		174,951,600
8	Michigan agricultural surplus system		12,045,000
9	Michigan energy assistance program--FTE	1.0	50,000,000
10	Refugee assistance program		7,954,200
11	State disability assistance payments		5,060,500
12	State supplementation		53,425,400
13	State supplementation administration		1,806,100
14	GROSS APPROPRIATION		\$ 3,571,161,100
15	Appropriated from:		
16	Federal revenues:		
17	Capped federal revenues		182,905,800
18	Social security act, temporary assistance for		
19	needy families		80,727,800
20	Total other federal revenues		3,161,539,400
21	Special revenue funds:		
22	Child support collections		8,162,100
23	Low-income energy assistance fund		50,000,000
24	Public assistance recoupment revenue		4,793,300
25	Supplemental security income recoveries		2,001,800
26	State general fund/general purpose		\$ 81,030,900
27	Sec. 107. LOCAL OFFICE OPERATIONS AND SUPPORT		
28	SERVICES		



1	Full-time equated classified positions	5,244.5	
2	Administrative support workers--FTEs	63.9	\$ 1,531,500
3	Adult services local office staff--FTEs	507.9	63,188,300
4	Contractual services, supplies, and materials		31,051,000
5	Donated funds positions--FTEs	179.8	21,838,400
6	Electronic benefit transfer (EBT)		9,714,000
7	Employment and training support services		4,218,100
8	Local office policy and administration--FTEs	119.7	19,876,600
9	Local office staff travel		8,252,400
10	Medical/psychiatric evaluations		1,120,100
11	Public assistance local office staff--FTEs	4,373.2	493,985,500
12	GROSS APPROPRIATION		\$ 654,775,900
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG from department of corrections		120,200
16	IDG from department of lifelong education,		
17	advancement, and potential		7,284,100
18	Federal revenues:		
19	Capped federal revenues		52,081,900
20	Social security act, temporary assistance for		
21	needy families		67,662,300
22	Total other federal revenues		230,542,900
23	Special revenue funds:		
24	Local funds - donated funds		3,266,600
25	Private funds - donated funds		7,436,900
26	Private revenues		250,000
27	State general fund/general purpose		\$ 286,131,000
28	Sec. 108. DISABILITY DETERMINATION SERVICES		



1	Full-time equated classified positions	509.2		
2	Disability determination operations--FTEs	505.1	\$	110,451,100
3	Retirement disability determination--FTEs	4.1		643,300
4	GROSS APPROPRIATION		\$	111,094,400
5	Appropriated from:			
6	Interdepartmental grant revenues:			
7	IDG from department of technology, management,			
8	and budget - office of retirement services			812,200
9	Federal revenues:			
10	Total other federal revenues			106,910,100
11	Total private revenues			800
12	Total other state restricted revenues			4,600
13	State general fund/general purpose		\$	3,366,700

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 \$1,293,527,400.00 and state spending under part 1 from state sources to be paid to local units of government is \$170,474,500.00. 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
----------------------------------	----	-----------



1	Legal support contracts	1,300
2	COMMUNITY SERVICES AND OUTREACH	
3	Community services and outreach administration	3,100
4	Homeless programs	9,900
5	Housing and support services	124,700
6	CHILDREN'S SERVICES AGENCY - CHILD WELFARE	
7	Child care fund	148,973,100
8	Child care fund - indirect cost allotment	3,500,000
9	Child welfare licensing	68,300
10	Children's trust fund	60,800
11	Contractual services, supplies, and materials	10,500
12	Family preservation programs	2,000
13	Foster care payments	3,678,900
14	Prosecuting attorney contracts	1,269,100
15	Strong families/safe children	65,400
16	CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE	
17	Bay Pines Center	49,700
18	Community support services	333,500
19	County juvenile officers	73,300
20	PUBLIC ASSISTANCE	
21	Emergency services local office allocations	2,200,000
22	Indigent burial	4,800
23	Michigan energy assistance program	200,000
24	State disability assistance payments	174,200
25	LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES	
26	Contractual services, supplies, and materials	91,700
27	Employment and training support services	6,200
28	DISABILITY DETERMINATION SERVICES	



Disability determination operations	2,000
-------------------------------------	-------

TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	\$ 170,474,500
---	-----------------------

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) "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.



1 (m) "GME" means graduate medical education.

2 (n) "Health plan" means, at a minimum, an organization that
3 meets the criteria for delivering the comprehensive package of
4 services under the department's comprehensive health plan.

5 (o) "HEDIS" means health care effectiveness data and
6 information set.

7 (p) "HMO" means health maintenance organization.

8 (q) "IDEA" means the individuals with disabilities education
9 act, 20 USC 1400 to 1482.

10 (r) "IDG" means interdepartmental grant.

11 (s) "MCH" means maternal and child health.

12 (t) "Medicaid" means subchapter XIX of the social security
13 act, 42 USC 1396 to 1396w-8.

14 (u) "Medicare" means subchapter XVIII of the social security
15 act, 42 USC 1395 to 1395III.

16 (v) "MiCAFE" means Michigan's coordinated access to food for
17 the elderly.

18 (w) "MiChild" means the program described in section 1670 of
19 this part.

20 (x) "MiSACWIS" means Michigan statewide automated child
21 welfare information system.

22 (y) "PACE" means program of all-inclusive care for the
23 elderly.

24 (z) "PAS/ARR-OBRA" means the preadmission screening and annual
25 resident review required under the omnibus budget reconciliation
26 act of 1987, section 1919(e) (7) of the social security act, 42 USC
27 1396r.

28 (aa) "PATH" means Partnership. Accountability. Training. Hope.

29 (bb) "PFAS" means perfluoroalkyl and polyfluoroalkyl



1 substances.

2 (cc) "PIHP" means an entity designated by the department as a
3 regional entity or a specialty prepaid inpatient health plan for
4 Medicaid mental health services, services to individuals with
5 developmental disabilities, and substance use disorder services.
6 Regional entities are described in section 204b of the mental
7 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
8 inpatient health plans are described in section 232b of the mental
9 health code, 1974 PA 258, MCL 330.1232b.

10 (dd) "Previous fiscal year" means the fiscal year ending
11 September 30, 2025.

12 (ee) "Quarterly basis" means February 1, April 1, July 1, and
13 September 30 of the current fiscal year.

14 (ff) "Semiannual basis" means March 1 and September 30 of the
15 current fiscal year.

16 (gg) "Settlement" means the settlement agreement entered in
17 the case of *Dwayne B. v Snyder*, Docket No. 2:06-cv-13548 in the
18 United States District Court for the Eastern District of Michigan.

19 (hh) "SSI" means supplemental security income.

20 (ii) "Standard report recipients" means the senate and house
21 of representatives appropriations subcommittees on the department
22 budget, the senate and house fiscal agencies, the senate and house
23 of representatives policy offices, and the state budget office.

24 (jj) "Temporary assistance for needy families" or "TANF" or
25 "title IV-A" means part A of subchapter IV of the social security
26 act, 42 USC 601 to 619.

27 (kk) "Title IV-B" means part B of title IV of the social
28 security act, 42 USC 621 to 629m.

29 (ll) "Title IV-D" means part D of title IV of the social



1 security act, 42 USC 651 to 669b.

2 (mm) "Title IV-E" means part E of title IV of the social
3 security act, 42 USC 670 to 679c.

4 (nn) "Title X" means subchapter VIII of the public health
5 service act, 42 USC 300 to 300a-8, which establishes grants to
6 states for family planning services.

7 Sec. 204. If the state administrative board, acting under
8 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
9 appropriated under part 1, the legislature may, by a concurrent
10 resolution adopted by a majority of the members elected to and
11 serving in each house, inter-transfer funds within part 1 for the
12 particular department, board, commission, officer, or institution.

13 Sec. 205. The department shall not take disciplinary action
14 against an employee of the department because the employee
15 communicates with a member of the legislature or legislative staff,
16 unless the communication is prohibited by law and the department is
17 exercising its authority as provided by law.

18 Sec. 206. To the extent permissible under section 261 of the
19 management and budget act, 1984 PA 431, MCL 18.1261, all of the
20 following apply to the expenditure of funds appropriated in part 1:

21 (a) The funds must not be used for the purchase of foreign
22 goods or services, or both, if competitively priced and of
23 comparable quality American goods or services, or both, are
24 available.

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

28 (c) Preference must be given to goods or services, or both,
29 that are manufactured or provided by Michigan businesses owned and



1 operated by veterans, if they are competitively priced and of
2 comparable quality.

3 Sec. 207. The department shall use the internet to fulfill the
4 reporting requirements of this part. This requirement includes
5 transmitting reports to the standard report recipients and any
6 other required recipients by email and posting the reports on an
7 internet site.

8 Sec. 208. The department shall receive and retain copies of
9 all reports funded from appropriations in part 1. The department
10 shall follow federal and state guidelines for short-term and long-
11 term retention of records. The department may electronically retain
12 copies of reports unless otherwise required by federal and state
13 guidelines.

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

23 Sec. 210. Not later than 14 days after the release of the
24 executive budget recommendation, the department shall cooperate
25 with the state budget office to provide an annual report on
26 estimated state restricted fund balances, state restricted fund
27 projected revenues, and state restricted fund expenditures for the
28 previous 2 fiscal years. The report must be submitted to the
29 standard report recipients and to the chairpersons of the senate



1 and house of representatives appropriations committees.

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

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

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

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

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

15 Sec. 212. Consistent with section 217 of the management and
16 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
17 a report on out-of-state travel expenses not later than January 1.
18 The report must list all travel outside this state by classified
19 and unclassified employees in the previous fiscal year that was
20 funded in whole or in part with funds appropriated in the
21 department's budget. The department shall submit the report to the
22 standard report recipients and to the senate and house
23 appropriations committees. The report must include all of the
24 following information:

25 (a) The dates of each travel occurrence.

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



1 sources of state restricted, federal, local, and private revenues.

2 Sec. 213. On a quarterly basis, the department shall report on
3 the number of full-time equated positions in pay status by civil
4 service classification, including a comparison by line item of the
5 number of full-time equated positions authorized from funds
6 appropriated in part 1 to the actual number of full-time equated
7 positions employed by the department at the end of the reporting
8 period. The report must be submitted to the standard report
9 recipients and to the senate and house appropriations committees.

10 Sec. 214. Not later than April 1, the department shall report
11 on each specific policy change made to implement a public act
12 affecting the department that took effect during the previous
13 calendar year. The report must include reference to the public act
14 that necessitates the policy change. The department shall submit
15 the report to the standard report recipients, the senate and house
16 appropriations committees, and the joint committee on
17 administrative rules.

18 Sec. 215. (1) From the funds appropriated in part 1, the
19 department shall do the following:

20 (a) Report to the standard report recipients and to the senate
21 and house appropriations committees any amounts of severance pay
22 for a department director, deputy director, or other high-ranking
23 department official not later than 14 days after a severance
24 agreement with the director, deputy director, or official is
25 signed. The name of the director, deputy director, or official and
26 the amount of severance pay must be included in the report required
27 by this subdivision.

28 (b) Not later than February 1, report on the total amount of
29 severance pay remitted to former department employees during the



1 prior fiscal year and the total number of former department
2 employees that were remitted severance pay during the prior fiscal
3 year.

4 (2) As used in this section, "severance pay" means
5 compensation to which both of the following apply:

6 (a) The compensation is payable or paid upon the termination
7 of employment.

8 (b) The compensation is paid in addition to either wages or
9 benefits earned during the course of employment or generally
10 applicable retirement benefits.

11 Sec. 216. (1) The department shall maximize the efficiency of
12 the state workforce. The department shall prioritize employees
13 working in person 5 days per week for each division within the
14 department. Employees with job responsibilities that require the
15 employees to serve in their capacities outside of the office must
16 report to the office before beginning fieldwork. Field service
17 employees include, but are not limited to, protective services
18 workers, parole and probation officers, conservation officers,
19 state troopers assigned to road patrol, inspectors, and
20 construction and trade workers.

21 (2) The department shall establish a policy and process for
22 verifying that all employees are working their jobs during normal
23 business hours.

24 (3) The department shall provide information on employee badge
25 scanning when requested by a member of the legislature.

26 Sec. 217. (1) Funds appropriated in part 1 that are utilized
27 for grants or grant programs are subject to the following
28 conditions:

29 (a) Grant funds must be provided only to an entity that has



1 been established or is operating in this state or another state for
2 at least 36 months before approval or disbursement of grant funds.

3 (b) Grant funds must be provided only to an entity that has
4 had an office within this state or in the service area covered
5 under the grant for at least 12 months before approval or
6 disbursement of grant funds.

7 (c) Before awarding or disbursing grant funds, all grant
8 recipients must provide a spending plan that specifies the scope of
9 service, the program goals, the measurement for meeting program
10 goals, and how all grant funds will be used and must indicate if
11 any grant funds will be provided to a third party or subrecipient.

12 (d) Up to 20% of grant funds may be spent on administrative
13 costs and salaries. Up to 10% is authorized for contingencies.

14 (e) Each department or agency responsible for awarding or
15 disbursing grant funds must annually audit the entity's use of the
16 grant funds for each fiscal year in which the grant is active. Each
17 entity must submit information requested by the department to
18 confirm compliance.

19 (f) Each department and agency shall work with the office of
20 the auditor general to conduct an audit of the grant according to
21 generally accepted accounting practices and audit standards. The
22 office of the auditor general must be given access to all internal
23 and external records. All contracts or agreements between a
24 department or agency and a grant recipient or between a grant
25 recipient and a third party must include a clause granting the
26 office of the auditor general access to all internal and external
27 records.

28 (g) Grant recipients and their immediate family members are
29 prohibited from being employed by the executive branch or



1 legislative branch of this state. In addition, grant recipients are
2 prohibited from serving on any state board that has direct or
3 indirect responsibility for approving of or auditing grant funds
4 awarded or disbursed by any department or agency.

5 (h) Full and complete audits of grant funds issued by the
6 department or an agency of this state, without redaction unless
7 required by law, must be posted to the department's website in a
8 conspicuous place for public review.

9 (2) On a quarterly basis, the department shall submit a report
10 to the standard report recipients on legislatively sponsored grant
11 funds that includes, but is not limited to, all of the following:

12 (a) The name of each grant recipient and the status of each
13 grant.

14 (b) The amount distributed to each grant recipient.

15 (c) The remaining amount to be distributed to each grant
16 recipient.

17 (d) Any changes to scope or costs of program.

18 (3) The report under subsection (2) must include the following
19 statements made by the department:

20 (a) A statement that confirms the department reviewed and
21 affirmed compliance by each grant recipient to program scope and
22 expenditure of grant funding.

23 (b) A statement that confirms the department reviewed
24 applicable program reports and requests for reimbursement.

25 Sec. 218. (1) The department shall require as a condition of
26 each contract or subcontract that the prequalified contractor or
27 prequalified subcontractor agree to use the E-Verify system to
28 verify that all persons hired during the contract term by the
29 contractor or subcontractor are legally present and authorized to



1 work in the United States.

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

8 (3) The department shall not contract with any foreign
9 entities that are known or suspected to be enemies of the United
10 States, or known foreign adversaries. Foreign adversaries include
11 all of the following:

12 (a) The People's Republic of China.

13 (b) The Russian Federation.

14 (c) The Islamic Republic of Iran.

15 (d) The Democratic People's Republic of Korea.

16 (e) The Republic of Cuba.

17 (f) The Venezuelan regime of Nicolás Maduro.

18 (g) The Syrian Arab Republic.

19 (h) An agency or other entity under significant control of a
20 country described in subdivisions (a) to (g).

21 (4) As used in this section, "E-Verify" means an internet-
22 based system operated by the Department of Homeland Security, U.S.
23 Citizenship and Immigration Services in partnership with the Social
24 Security Administration.

25 Sec. 219. Funds appropriated in part 1 from state or federal
26 sources are prohibited from being used to provide services, grants,
27 or programming to an individual who is not a citizen of the United
28 States, unless the individual is a qualified alien as that term is
29 defined in 8 USC 1641. This section does not prohibit the



1 department, political subdivision, state university, or other state
2 agency from expending funds for the purpose of detaining
3 individuals who are not citizens of the United States, including
4 any costs associated with housing such individuals in county jails
5 or state correctional facilities.

6 Sec. 221. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$20,000,000.00 for
8 federal contingency authorization. Amounts appropriated under this
9 subsection are not available for expenditure until they have been
10 transferred to another line item in part 1 under section 393(2) of
11 the management and budget act, 1984 PA 431, MCL 18.1393. Federal
12 contingency authorization must not be made available to increase
13 TANF authorization.

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

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

26 (4) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$2,000,000.00 for private
28 contingency authorization. Amounts appropriated under this
29 subsection are not available for expenditure until they have been



1 transferred to another line item in part 1 under section 393(2) of
2 the management and budget act, 1984 PA 431, MCL 18.1393.

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

6 Sec. 223. The department shall submit a quarterly report that
7 summarizes all work project accounts. The report must include all
8 of the following:

9 (a) A list of all work project accounts.

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

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

17 Sec. 224. Total authorized appropriations from all sources
18 under part 1 for legacy costs for the fiscal year ending September
19 30, 2026 are estimated at \$201,838,700.00. From this amount, total
20 department appropriations for pension-related legacy costs are
21 estimated at \$182,045,900.00. Total department appropriations for
22 retiree health care legacy costs are estimated at \$19,792,800.00.

23 Sec. 225. (1) The department shall maintain, on a publicly
24 accessible website, a department scorecard that identifies, tracks,
25 and updates on a quarterly basis key metrics that are used to
26 monitor and improve the department's performance.

27 (2) The department must notify the standard report recipients
28 when the quarterly updates to the department scorecard are
29 available on a publicly accessible website.



1 Sec. 226. (1) Unless specifically authorized elsewhere in this
2 part or part 1, funds appropriated in part 1 must not be used to
3 pay for a state obligation that exceeds \$200,000.00 for a court-
4 approved judgment, settlement, award, or claim without prior
5 legislative approval.

6 (2) If a state obligation for a court-approved judgment,
7 settlement, award, or claim results in a change from current
8 statute, the department shall notify the legislature.

9 (3) This section does not apply to compensation and other
10 relief to individuals wrongfully imprisoned as required under the
11 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
12 to 691.1757.

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

21 Sec. 228. State funds must not be used for diversity, equity,
22 and inclusion, or DEI, initiatives or programs or as outlined in
23 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
24 Radical and Wasteful Government DEI Programs and Preferencing",
25 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
26 Women from Gender Ideology Extremism and Restoring Biological Truth
27 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
28 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
29 Merit-Based Opportunity".



1 Sec. 250. If either of the following events occurs, not later
2 than 30 days after the event occurs, the department shall notify
3 the standard report recipients of that fact:

4 (a) A legislative objective of this part or of a bill or
5 amendment to a bill to amend the social welfare act, 1939 PA 280,
6 MCL 400.1 to 400.119b, cannot be implemented because implementation
7 would conflict with or violate federal law.

8 (b) A federal grant for which a notice of an award has been
9 received cannot be used or will not be used.

10 Sec. 251. (1) In addition to funds appropriated in part 1 for
11 all programs and services, there is appropriated, for write-offs of
12 accounts receivable, deferrals, and for prior year obligations in
13 excess of applicable prior year appropriations, an amount equal to
14 total write-offs and prior year obligations, but not to exceed
15 amounts available in prior year revenues.

16 (2) The department's ability to satisfy appropriation fund
17 sources in part 1 is not limited to collections and accruals
18 pertaining to services provided in the current fiscal year and
19 includes reimbursements, refunds, adjustments, and settlements from
20 prior years.

21 Sec. 252. Not later than February 1 of the current fiscal
22 year, the department shall submit, to the standard report
23 recipients, a report on the detailed names and amounts of estimated
24 federal, restricted, private, and local sources of revenue that
25 support the appropriations in each of the line items in part 1 for
26 the previous fiscal year. The report must itemize, rather than
27 aggregate, specific revenue sources deposited into the generic
28 statewide integrated governmental management application (SIGMA)
29 fund numbers 1200, 1274, 4000, and 5000.



1 Sec. 253. (1) The department shall ensure that each federally
2 recognized tribe is able to apply and compete for services,
3 programs, grants, and contracts.

4 (2) For competitive grant programs described in this part,
5 each federally recognized tribe is eligible to apply for grant
6 funds made available to organizations exempt from federal income
7 tax under section 501(c)(3) of the internal revenue code of 1986,
8 26 USC 501, and to local units of government.

9 Sec. 254. As required under part 23 of the public health code,
10 1978 PA 368, MCL 333.2301 to 333.2321, the appropriations in part 1
11 must include the following:

12 (a) Immunizations.

13 (b) Communicable disease control.

14 (c) Sexually transmitted infection control.

15 (d) Tuberculosis control.

16 (e) Prevention of gonorrhea eye infection in newborns.

17 (f) Screening newborn infants for the conditions listed in
18 section 5431 of the public health code, 1978 PA 368, MCL 333.5431,
19 or recommended by the newborn screening quality assurance advisory
20 committee created under section 5430 of the public health code,
21 1978 PA 368, MCL 333.5430.

22 (g) Health and human services annex of the Michigan Emergency
23 Management Plan.

24 (h) Prenatal care.

25 (i) Mental health.

26 Sec. 255. The department shall not expend any funds
27 appropriated in part 1 to enter into any contract or other
28 agreement with a nonprofit organization, or its individual
29 employees, established under section 2611 of the public health



1 code, 1978 PA 368, MCL 333.2611, for the purpose of performing all
2 or any portion of the department's regulatory, disciplinary, or
3 administrative duties.

4 Sec. 256. The department shall ensure that faith-based
5 organizations are able to apply and compete for services, programs,
6 or contracts that the organizations are qualified and suitable to
7 fulfill. The department shall not disqualify faith-based
8 organizations solely on the basis of the religious nature of the
9 organizations or the guiding principles or statements of faith for
10 the organizations.

11 Sec. 257. In accordance with section 1b of the social welfare
12 act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and
13 this part as a time-limited addendum to the social welfare act,
14 1939 PA 280, MCL 400.1 to 400.119b.

15 Sec. 258. (1) Not later than 30 days before the implementation
16 date of a major policy change, the department shall report the
17 change to the standard report recipients.

18 (2) The department shall make the department's entire policy
19 and procedures manual available and accessible to the public on the
20 department's website.

21 (3) The department shall attach each policy bulletin issued
22 during the previous calendar year to the report under section 214.

23 Sec. 259. The department may establish and collect fees for
24 publications, videos and related materials, conferences, and
25 workshops. Collected fees are appropriated when received and must
26 be used to offset expenditures for publication printing and
27 mailing, costs of the publications, videos and related materials,
28 conferences, and workshops. The department shall not collect fees
29 under this section that exceed the cost of the expenditures. If



1 collected fees are appropriated under this section in an amount
2 that exceeds the current fiscal year appropriation, not later than
3 30 days after the collected fee appropriation, the department shall
4 notify the standard report recipients of that fact.

5 Sec. 260. The department may retain all of this state's share
6 of food assistance overissuance collections as an offset to general
7 fund/general purpose costs. Retained collections must be applied
8 against federal funds deductions in all appropriation units where
9 department costs related to the investigation and recoupment of
10 food assistance overissuances are incurred. Retained collections in
11 excess of the investigation and recoupment costs must be applied
12 against the federal funds deducted in the departmental
13 administration and support appropriation unit.

14 Sec. 261. If the revenue collected by the department from fees
15 and collections exceeds the amount appropriated in part 1, the
16 revenue may be carried forward with the approval of the state
17 budget director into the subsequent fiscal year. The revenue
18 carried forward under this section must be used as the first source
19 of funds in the subsequent fiscal year.

20 Sec. 262. If the department receives tobacco tax funds and
21 Healthy Michigan fund revenue from part 1, not later than April 1
22 of the current fiscal year, the department shall submit, to the
23 standard report recipients, a report on both of the following
24 activities during the previous fiscal year:

25 (a) Tobacco tax revenue appropriations in the Medicaid
26 program.

27 (b) Information for each project implemented with revenue
28 under this section, including all of the following:

29 (i) The project's name.



1 (ii) The appropriation line item and amount.

2 (iii) The project's target population.

3 (iv) A description of the project.

4 (v) The outcomes or accomplishments of the project.

5 Sec. 263. (1) Except as provided in this subsection, before
6 submission of a waiver, state plan amendment, or similar proposal
7 to CMS or another federal agency, the department shall notify the
8 standard report recipients of the planned submission. This
9 subsection does not apply to the submission of a waiver, state plan
10 amendment, or similar proposal that does not propose a material
11 change or is outside of the ordinary course of a waiver, state plan
12 amendment, or similar proposal.

13 (2) On a semiannual basis, the department shall submit, to the
14 standard report recipients, a report that summarizes the status of
15 any new or ongoing discussions with CMS, the United States
16 Department of Health and Human Services, or another federal agency
17 regarding any potential or future waiver applications and the
18 status of any submitted waivers that have not yet received federal
19 approval. If there is not a reportable item at the time that a
20 semiannual report is due, a report is not required.

21 Sec. 264. If the department is authorized under federal law or
22 the law of this state to collect an overpayment owed to the
23 department, beginning 60 days after the initial notification date
24 of the overpayment amount, the department may assess a penalty of
25 1% per month. If an overpayment is caused by department error, a
26 penalty may be assessed 6 months after the initial notification
27 date of the overpayment amount. The department shall not collect
28 penalty interest in an amount that exceeds the amount of the
29 original overpayment. This state's share of any funds collected



1 under this section must be deposited in the general fund of this
2 state.

3 Sec. 265. Not later than March 1 of the current fiscal year,
4 the department shall submit, to the standard report recipients, a
5 report on the status of the implementation of any noninflationary,
6 noncaseload, programmatic funding increases in the current fiscal
7 year from the previous fiscal year. The report must confirm the
8 implementation of already-implemented funding increases and provide
9 an explanation for any planned implementation of funding increases
10 that have not yet occurred. For any planned implementation of
11 funding increases that have not yet occurred, the report must
12 include an expected implementation date and the reason for delayed
13 implementation.

14 Sec. 266. The department shall provide the approved spending
15 plan for each line item receiving an appropriation in the current
16 fiscal year to the senate and house of representatives
17 appropriations subcommittees on the department budget and the
18 senate and house fiscal agencies not later than 60 days after
19 approval by the department or not later than January 15 of the
20 current fiscal year, whichever is earlier. In all places that a
21 line-item appropriation number is listed, a line-item appropriation
22 name must be included. The spending plan must include the following
23 information regarding planned expenditures for each category:
24 allocation in the previous period, change in the allocation, and
25 new allocation. The spending plan must include the following
26 information regarding each revenue source for the line item:
27 category of the fund source indicated by general fund/general
28 purpose, state restricted, local, private, or federal. Figures
29 included in the approved spending plan must not be assumed to



1 constitute the actual final expenditures, as line items may be
2 updated on an as-needed basis to reflect changes in projected
3 expenditures and projected revenue. The department shall supplement
4 the spending plan information by providing a list of all active
5 contracts and grants in the department's contract system. For
6 amounts listed in the other contracts category of each spending
7 plan, the department shall include the name of the line item and
8 the name of the fund source for each contract, grant, and amount
9 for the current fiscal year. For amounts listed in the all other
10 costs category of each spending plan, the department shall provide
11 a list detailing planned expenditures and amounts for the current
12 fiscal year and include the name of the line item and the name of
13 the fund source related to each expenditure and amount.

14 Sec. 267. Not later than March 1 of the current fiscal year,
15 the department shall submit, to the standard report recipients, a
16 report on total actual expenditures in the previous fiscal year for
17 advertising and media outreach, including the purpose, amount, and
18 fund source by program or appropriation line item.

19 Sec. 268. Not later than March 1 of the current fiscal year,
20 the department shall submit a description of programs report to the
21 standard report recipients. For each program, the report must
22 include the appropriation unit; the line item name and number; the
23 appropriation history; the program name; the program overview; a
24 financing summary; and, where applicable, the program's legal
25 basis, effectiveness, and outcomes.

26 Sec. 269. On a monthly basis, the department shall submit, to
27 the standard report recipients, a report on any line-item
28 appropriation for which the department estimates total annual
29 expenditures would exceed the funds appropriated for the line-item



1 appropriation by 5% or more. The department shall provide a
2 detailed explanation for any relevant line-item appropriation
3 exceedance and identify the corrective actions undertaken to
4 mitigate line-item appropriation expenditures from exceeding the
5 funds appropriated for the line-item appropriation by a greater
6 amount. This section does not apply for line-item appropriations
7 that are part of the May revenue estimating conference caseload and
8 expenditure estimates.

9 Sec. 270. The department shall advise the legislature of the
10 receipt of a notification from the attorney general's office of a
11 legal action in which expenses had been recovered under section
12 106(6) of the social welfare act, 1939 PA 280, MCL 400.106. If
13 applicable, not later than February 1 of the current fiscal year,
14 the department shall submit, to the standard report recipients, a
15 report that includes, but is not limited to, all of the following:

16 (a) The total amount recovered from the legal action.

17 (b) The program or service for which the money was originally
18 expended.

19 (c) Details on the disposition of the funds recovered, such as
20 the appropriation or revenue account in which the money was
21 deposited.

22 (d) A description of the facts involved in the legal action.

23 (e) The legal costs incurred at the attorney general's office
24 for each legal action in which expenses were recovered under
25 section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.

26 Sec. 274. On the day that is 1 week after the day that the
27 governor submits the executive budget proposal for the ensuing
28 fiscal year to the legislature, the department, in collaboration
29 with the state budget office, shall submit, to the standard report



1 recipients, a report on spending and revenue projections for each
2 of the capped federal funds listed in this subsection. The report
3 must contain actual spending and revenue in the previous fiscal
4 year, spending and revenue projections for the current fiscal year
5 as enacted, and spending and revenue projections in the executive
6 budget proposal for the immediately ensuing fiscal year for each
7 individual line item for the department budget. The report must
8 also include federal funds transferred to other departments. The
9 capped federal funds include, but are not limited to, all of the
10 following:

11 (a) TANF.

12 (b) Title XX social services block grant.

13 (c) Title IV-B subpart I child welfare services block grant.

14 (d) Title IV-B subpart II promoting safe and stable families
15 funds.

16 (e) Low-income home energy assistance program.

17 Sec. 275. (1) On a quarterly basis, the department, with the
18 approval of the state budget director, is authorized to realign
19 sources between other federal, TANF, and capped federal financing
20 authorizations to maximize federal revenues. The realignment of
21 financing must not produce any of the following:

22 (a) A gross increase or decrease in the department's total
23 individual line item authorizations.

24 (b) A net increase or decrease in total federal revenues.

25 (c) A net increase in TANF authorization.

26 (2) On a quarterly basis, the department shall submit, to the
27 standard report recipients, a report on the realignment of federal
28 fund sources transacted to date in the current fiscal year under
29 subsection (1), including the dates, line items, and amounts of the



1 transactions. If, at the time a quarterly report is due, a
2 transaction was not made under subsection (1), a report is not
3 required.

4 (3) Not later than 30 days after the date on which year-end
5 book closing is completed, the department shall submit, to the
6 standard report recipients, a report on the realignment of federal
7 fund sources that took place as part of the year-end closing
8 process for the previous fiscal year.

9 Sec. 290. Any public advertisement for public assistance must
10 inform the public of the welfare fraud hotline operated by the
11 department.

12 Sec. 295. Not later than April 1 of the current fiscal year,
13 the department shall submit, to the standard report recipients, a
14 report on funds appropriated for the healthy moms, healthy babies
15 initiative. The report must include the budgeted amount, year-to-
16 date expenditures, remaining balance of appropriations, and the
17 percent of budget spent for each appropriation related to the
18 initiative. The report must also include information on how the
19 funds have assisted with meeting the goals and outcomes of the
20 initiative.

21 22 **CHILD SUPPORT ENFORCEMENT**

23 Sec. 401. (1) The appropriations in part 1 assume a total
24 federal child support incentive payment of \$26,500,000.00.

25 (2) From the federal money received for child support
26 incentive payments, \$12,000,000.00 must be retained by this state
27 and expended for child support program expenses.

28 (3) From the federal money received for child support
29 incentive payments, \$14,500,000.00 must be paid to counties based



1 on each county's performance level for each of the performance
2 measures under 45 CFR 305.2.

3 (4) If the child support incentive payment to this state from
4 the federal government is greater than \$26,500,000.00, then 100% of
5 the amount in excess must be retained by this state and is
6 appropriated until the total retained by this state reaches
7 \$15,397,400.00.

8 (5) If the child support incentive payment to this state from
9 the federal government is greater than the amount needed to satisfy
10 subsections (1), (2), (3), and (4), the additional funds are
11 subject to appropriation by the legislature.

12 (6) If the child support incentive payment to this state from
13 the federal government is less than \$26,500,000.00, then the state
14 share and the county share must each be reduced by 50% of the
15 shortfall.

16 Sec. 409. (1) If statewide retained child support collections
17 exceed \$38,300,000.00, 75% of the amount in excess of
18 \$38,300,000.00 is appropriated to legal support contracts. The
19 excess appropriation may be distributed to eligible counties to
20 supplement, but not supplant, county title IV-D funding.

21 (2) Each county whose retained child support collections in
22 the current fiscal year exceed its fiscal year 2004-2005 retained
23 child support collections, excluding tax offset and financial
24 institution data match collections in both the current fiscal year
25 and fiscal year 2004-2005, shall receive its proportional share of
26 the 75% excess appropriation.

27 Sec. 410. (1) If title IV-D-related child support collections
28 are escheated, the state budget director is authorized to adjust
29 the sources of financing for the funds appropriated in part 1 for



1 legal support contracts to reduce federal authorization by 66% of
2 the escheated amount and increase general fund/general purpose
3 authorization by the same amount. The adjustment is required to
4 offset the loss of federal revenue due to the escheated amount
5 being counted as title IV-D program income in accordance with 45
6 CFR 304.50.

7 (2) Not later than 30 days after an adjustment under
8 subsection (1), the department shall notify the standard report
9 recipients of the adjustment.

10 11 **COMMUNITY SERVICES AND OUTREACH**

12 Sec. 453. (1) From the funds appropriated in part 1 for
13 homeless programs, the department shall allocate funds to the
14 emergency shelter program to support efforts of shelter providers
15 to move homeless individuals and households into permanent housing
16 as quickly as possible. The funds must be equal to or exceed the
17 amount that a provider would receive if the provider is paid a
18 \$19.00 per diem rate. Expected outcomes are increased shelter
19 discharges to stable housing destinations, decreased recidivism
20 rates for shelter clients, and a reduction in the average length of
21 stay in emergency shelters.

22 (2) Not later than March 1 of the current fiscal year, the
23 department shall submit, to the standard report recipients, a
24 report on the total amount expended for the emergency shelter
25 program in the prior 2 fiscal years, the total number of shelter
26 nights provided, and the average length of stay in an emergency
27 shelter.

28 Sec. 454. The department shall allocate the full amount of
29 funds appropriated in part 1 for homeless programs to provide



1 services for homeless individuals and families, including, but not
2 limited to, third-party contracts for emergency shelter services.

3 Sec. 455. As a condition of receipt of federal TANF revenue,
4 after admitting a family to a homeless shelter, the homeless
5 shelter and human services agencies shall collaborate with the
6 department to obtain necessary TANF eligibility information on the
7 family as soon as possible. From the funds appropriated in part 1
8 for homeless programs, the department is authorized to make
9 allocations of TANF revenue only to the homeless shelters and human
10 services agencies that report necessary data to the department to
11 meet TANF eligibility reporting requirements. Homeless shelters or
12 human services agencies that do not report necessary data to the
13 department to meet TANF eligibility reporting requirements shall
14 not receive reimbursements that exceed the per diem amount the
15 homeless shelters or human service agencies received in fiscal year
16 2000. The use of TANF revenue under this section is not an ongoing
17 commitment of funding.

18 Sec. 456. From the funds appropriated in part 1 for homeless
19 programs, the department shall allocate \$10,000.00 to reimburse
20 public service agencies that provide documentation of paying birth
21 certificate fees on behalf of category 1 homeless clients at county
22 clerk's offices. Each public service agency must be reimbursed for
23 the cost of the birth certificate fees quarterly until the
24 allocation is fully spent.

25 Sec. 457. From the funds appropriated in part 1 for homeless
26 programs, the department shall allocate \$8,500,000.00 of TANF
27 revenue to support family shelters or families who are homeless and
28 at risk of being homeless. Funds appropriated under this section
29 must be used as follows:



1 (a) \$3,000,000.00 for emergency hotels for families
2 experiencing homelessness.

3 (b) \$3,500,000.00 for assistance and supports to families
4 engaged with child welfare. This may include, but is not limited
5 to, eviction diversion, first month's rent and deposit, and utility
6 arrears.

7 (c) \$2,000,000.00 for creating additional spaces at family
8 homeless shelters that have been in operation for at least 24
9 months.

10 Sec. 458. From the funds appropriated in part 1 for homeless
11 programs, the department shall require any entities receiving
12 direct or indirect state funds to report data to a Homeless
13 Management Information System that satisfies the baseline data
14 collection requirements.

15 Sec. 459. From the funds appropriated in part 1 for homeless
16 programs, the department shall allocate \$2,000,000.00 of TANF
17 revenue to acquire and develop for individuals and families
18 noncongregate shelter that utilizes options under a Housing First
19 model and prioritizes providing stable and permanent housing
20 without preconditions or requirements, such as sobriety or
21 participation in treatment programs. Eligible uses for this funding
22 may include, but are not limited to, hotels, motels, dormitories,
23 recuperative care facilities, and other facilities that offer
24 noncongregate shelter.

25 Sec. 463. From the funds appropriated in part 1 for runaway
26 and homeless youth grants and domestic violence prevention and
27 treatment, the department is authorized to make allocations of TANF
28 revenue only to agencies that report necessary data to the
29 department to meet TANF eligibility reporting requirements.



1 Sec. 464. (1) From the funds appropriated in part 1 for diaper
2 assistance grant, the department shall purchase diapering supplies
3 in bulk and allocate those supplies to diaper assistance programs,
4 maternity homes, local county offices, and other nonprofit agencies
5 that distribute diapers free of charge and were established as of
6 January 1, 2020. The funds must be used only to purchase diapering
7 supplies and to cover related administrative costs. Funds must be
8 distributed to all counties in this state. Not more than 15% of the
9 funds appropriated in part 1 are expendable for administrative
10 purposes.

11 (2) Not later than March 1 of the current fiscal year, the
12 department shall submit, to the standard report recipients, a
13 report on the distribution of diapering supplies that includes, but
14 is not limited to, the names and locations of the entities
15 described in subsection (1) that distribute diaper supplies and the
16 total amount of diapering supplies distributed to each entity.

17 Sec. 465. (1) From the funds appropriated in part 1 for
18 community services and outreach administration, \$2,950,000.00 must
19 be distributed as provided in subsection (2). The amount
20 distributed as provided in subsection (2) must not exceed 50% of
21 the total operating expenses of Michigan 2-1-1, which is described
22 in subsection (2), with the remaining 50% paid by local United Way
23 organizations and other nonprofit organizations and foundations.

24 (2) Funds distributed under subsection (1) must be distributed
25 to Michigan 2-1-1, a nonprofit corporation organized under the laws
26 of this state that is exempt from federal income tax under section
27 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and
28 whose mission is to coordinate and support a statewide 2-1-1
29 system. Michigan 2-1-1 shall use the funds only to fulfill the



1 Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January
2 2005.

3 (3) Michigan 2-1-1 shall refer any received calls that report
4 fraud, waste, or abuse of state-administered public assistance to
5 the department.

6 (4) Michigan 2-1-1 shall submit, to the department, the senate
7 and house of representatives standing committees with primary
8 jurisdiction over matters relating to human services and
9 telecommunications on 2-1-1 system performance, and the standard
10 report recipients, a report that includes, but is not limited to,
11 call volume by health and human service needs and unmet needs
12 identified through caller data and number and the percentage of
13 callers referred to public or private provider types.

14 Sec. 466. (1) From the funds appropriated in part 1 for
15 runaway and homeless youth grants, the department shall allocate
16 \$5,342,100.00 that consists of \$1,146,900.00 in general
17 fund/general purpose revenue and \$4,195,200.00 of TANF revenue to
18 support runaway and homeless youth capacity. The funding must be
19 allocated based on a methodology that includes geographic coverage,
20 population demographics, scope of services provided, and need.
21 Provider agencies must provide continued infrastructure
22 improvements and support for expanded staff, supervision, and
23 training to continue to meet the complex mental health needs of the
24 population served and the expansion of direct services for client
25 stabilization.

26 (2) Not later than March 1 of the current fiscal year, the
27 department shall submit to the standard report recipients a report
28 on the runaway homeless youth program that includes, but is not
29 limited to, all of the following:



1 (a) A list of counties served and the amount of funding
2 allocated to each county.

3 (b) The amount of funding being allocated to previously
4 underserved communities and how capacity has been expanded or is
5 planned to be expanded in those communities.

6 (c) Identified barriers that have hindered providers from
7 expanding capacity.

8
9 **CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

10 Sec. 501. (1) A goal is established that not more than 25% of
11 all children in foster care at any given time during the current
12 fiscal year, unless contrary to the best interest of the child,
13 will have been in foster care for 24 months or more.

14 (2) Not later than March 1 of the current fiscal year, the
15 department shall submit, to the standard report recipients, a
16 report describing the steps that will be taken to achieve the goal
17 under subsection (1). The report must also include the following:

18 (a) An explanation of the most significant barriers that
19 prevent long-term foster children from permanent placements.

20 (b) The number of children currently in foster care for longer
21 than 24 months and the percentage of those children that had paid
22 Medicaid behavioral health claims or encounters within the last
23 year.

24 Sec. 502. From the funds appropriated in part 1 for foster
25 care, the department shall reimburse Indian tribal governments for
26 50% of the foster care expenditures for children who are under the
27 jurisdiction of Indian tribal courts and are not otherwise eligible
28 for federal foster care cost sharing. However, the department may
29 reimburse up to 100% of the foster care expenditures for an Indian



1 tribal government that enters into a state-tribal title IV-E
2 agreement allowed under this state's title IV-E state plan.

3 Sec. 503. In accordance with the final report of the Michigan
4 child welfare performance-based funding task force issued in
5 response to section 503 of article X of 2013 PA 59, the department
6 shall review, update, or develop actuarially sound case rates for
7 necessary child welfare foster care case management services that
8 achieve permanency by the department and private child placing
9 agencies in a prospective payment system under a performance-based
10 funding model.

11 Sec. 504. (1) From the funds appropriated in part 1, the
12 department shall implement a 3-year master agreement, with an
13 option for 2 additional years, with the West Michigan Partnership
14 for Children Consortium to maintain a performance-based child
15 welfare contracting program. The Consortium must consist of a
16 network of affiliated child welfare service providers that will
17 accept and comprehensively assess referred youth, assign cases to
18 its members or leverage services from other entities, and make
19 appropriate case management decisions during the duration of a
20 case.

21 (2) As a condition for receiving the funding in part 1, the
22 West Michigan Partnership of Children Consortium shall maintain a
23 contract agreement with the department that supports a global
24 capitated payment model. The capitated payment amount must be based
25 on historical averages of both the number of children served in
26 Kent County and the costs per foster care case. The West Michigan
27 Partnership for Children Consortium shall manage the cost of the
28 child population it serves. The administrative portion of the
29 contracted agreement must reflect the cumulative annual percentage



1 change in the Detroit Consumer Price Index from the previous year.
2 The capitated payment amount must be reviewed and adjusted not less
3 than 2 times during the current fiscal year or for 1 or more of the
4 following:

5 (a) Changes implemented by the department that result in a
6 volume of placements that differ in a statistically significant
7 manner from the amount allocated in the annual contract between the
8 department and the West Michigan Partnership for Children
9 Consortium, as determined by an independent actuary.

10 (b) Changes in case volumes and any statewide rate increases
11 that are implemented.

12 (3) The contract agreement under this section must require the
13 following stipulations and conditions:

14 (a) That the service component of the capitated payment will
15 be calculated under the assumption that rates paid to providers
16 under the program are generally consistent with the department's
17 payment policies for providers throughout the rest of this state.

18 (b) That the West Michigan Partnership for Children Consortium
19 maintain a risk reserve of not less than \$1,500,000.00 to ensure it
20 can meet unanticipated expenses within a given fiscal year.

21 (c) That the West Michigan Partnership for Children Consortium
22 cooperate with the department on an independent fiscal analysis of
23 costs incurred and revenues received.

24 (4) Not later than March 1 of the current fiscal year, the
25 Consortium shall submit, to the standard report recipients, a
26 report on the Consortium, including, but not limited to, its actual
27 expenditures, the number of children placed by agencies in the
28 Consortium, the fund balance of the Consortium, and the outcomes
29 measured.



1 Sec. 505. Not later than March 1 of the current fiscal year,
2 the department shall submit, to the standard report recipients, a
3 report on youth referred or committed to the department for care or
4 supervision in the previous fiscal year that outlines the number of
5 youth served by the department in the juvenile justice system by
6 the type of setting for each youth.

7 Sec. 506. From the funds appropriated in part 1 for attorney
8 general contract, not later than March 1 of the current fiscal
9 year, the department shall submit, to the standard report
10 recipients, a report on the juvenile justice system in any county
11 in which funds appropriated in part 1 are expended. The report must
12 include, but not be limited to, all of the following:

13 (a) The number of youth referred or committed to the
14 department for care or supervision in the previous fiscal year and
15 in the first quarter of the current fiscal year.

16 (b) The number of youth referred or committed to the care or
17 supervision of the county in which funds appropriated in part 1
18 were expended for the previous fiscal year and the first quarter of
19 the current fiscal year.

20 (c) The type of setting for each youth referred or committed
21 for care or supervision, any applicable performance outcomes, and
22 identified financial costs or savings.

23 (d) The required and actual staff-to-youth ratios.

24 Sec. 507. The department's ability to satisfy appropriation
25 deductions in part 1 for foster care private collections is not
26 limited to collections and accruals pertaining to services provided
27 only in the current fiscal year and may include revenues collected
28 during the current fiscal year for services provided in prior
29 fiscal years.



1 Sec. 508. (1) In addition to the amount appropriated in part 1
2 for children trust Michigan, money granted or money received as
3 gifts or donations to the children's trust fund created in 1982 PA
4 249, MCL 21.171 to 21.172, is appropriated for expenditure.

5 (2) For the funds described in subsection (1), the department
6 shall ensure that administrative delays are avoided and local grant
7 recipients and direct service providers receive money in an
8 expeditious manner. The department and the state board as that term
9 is defined in section 2 of the child abuse and neglect prevention
10 act, 1982 PA 250, MCL 722.601, shall make the children's trust fund
11 contract funds available to grantees not later than 31 days after
12 the start date of the funded project.

13 Sec. 509. (1) From the funds appropriated in part 1 for
14 adoption support services, the department shall maintain a rate
15 structure that pays for cases based on the average length of time
16 it takes to reach adoption finalization by case characteristics for
17 licensed child placing agencies contracted with the department that
18 provide adoption services for youth in foster care.

19 (2) For cases accepted before the implementation of the new
20 rate structure described in subsection (1), the department shall
21 maintain the increase of contracted rates paid to private child
22 placing agencies, including the \$23.00 per diem for all foster
23 youth from the date of the case acceptance to the date of adoption
24 petition acceptance or 150 days, whichever occurs sooner, for
25 licensed child placing agencies contracted with the department to
26 provide adoption services for foster youth. The per diem rate must
27 be separate from the outcome-based reimbursement system and must
28 not be deducted from the total reimbursement an agency receives for
29 the applicable placement or finalization rate of an adoption.



1 Sec. 510. The department shall submit reports on a monthly
2 basis to the standard report recipients on all of the following:

3 (a) The number of children awaiting placement in a residential
4 setting by child caring institution.

5 (b) The reason for the delay in placement, including, but not
6 limited to, facility bed shortages, placement process delays, or
7 other reasons.

8 (c) The number of incentive payments that were awarded by the
9 department by child caring institution.

10 (d) The number of incentive payments that were denied by the
11 department by child caring institution.

12 (e) Of the denials identified in subdivision (d), the
13 department shall provide the rationale for denial of incentive
14 payments including, but not limited to, refusal of placement, lack
15 of staffing, or other reasons.

16 Sec. 511. The department shall submit, to the standard report
17 recipients and the senate and house of representatives standing
18 committees that cover subject matters dealing with families and
19 human services, reports on a semiannual basis that include the
20 number and percentage of children who received timely physical and
21 mental health examinations after entry into foster care. The goal
22 of the program is for not less than 85% of children to have an
23 initial medical and mental health examination that is not later
24 than 30 days after entry into foster care.

25 Sec. 512. (1) From the funds appropriated in part 1 for foster
26 care payments, the department shall allocate \$500,000.00 of TANF
27 revenue to provide luggage to a child who is being removed from the
28 child's home or changing placement and is a TANF eligible
29 individual. The luggage provided under this section is considered



1 to belong to the child and may not be confiscated by the department
2 or the child's foster parent. The department is not required to
3 provide new luggage under this section to a child who is changing
4 placement and has had luggage previously provided by the
5 department.

6 (2) The department may partner with local charities to
7 establish and maintain the supply of luggage to be used to
8 transport a child's personal belongings. Additionally, the
9 department may accept donations of luggage to fulfill the
10 requirements of this section.

11 (3) As used in this section, "luggage" means any of the
12 following:

13 (a) A suitcase of any size.

14 (b) A duffel bag that holds at least 30 liters.

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

19 (a) An appropriate placement is not available in this state,
20 as determined by the department's interstate compact office.

21 (b) An out-of-state placement exists that is nearer to the
22 child's home than the closest appropriate in-state placement, as
23 determined by the department's interstate compact office.

24 (c) The out-of-state facility meets all of the licensing
25 standards for a comparable facility in this state.

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

28 (e) The department has visited the site of the out-of-state
29 facility before the child's placement or in the last 6 months,



1 whichever is sooner; has reviewed the facility records, licensing
2 records, and reports; and believes that the facility is an
3 appropriate placement for the child.

4 (2) The department shall not expend money for a child placed
5 in an out-of-state facility without approval of the executive
6 director of the children's services agency.

7 (3) Not later than March 1 of the current fiscal year, the
8 department shall submit, to the state court administrative office
9 and the standard report recipients, a report on the number of
10 Michigan children residing in out-of-state facilities in the
11 previous fiscal year, the total cost and average per diem cost of
12 the out-of-state placements to this state, and a list of each out-
13 of-state placement arranged by the Michigan county of residence for
14 each child, and a list of out-of-state facilities that were visited
15 by the department before the child's placement.

16 Sec. 514. (1) From the funds appropriated in part 1 for foster
17 care payments, the department shall maintain a statewide respite
18 care services network available to licensed foster parents and
19 unlicensed relative caregivers that care for children in foster
20 care.

21 (2) Not later than March 1 of the current fiscal year, the
22 department shall submit, to the standard report recipients, a
23 report on the total number of licensed foster parents and
24 unlicensed relative caregivers that were provided respite services,
25 the average amount of respite time per month, and the total amount
26 of funding spent on respite services during the previous fiscal
27 year.

28 Sec. 515. If a children's protective services caseworker
29 requests approval for another children's protective services



1 caseworker or other department employee to accompany the caseworker
2 on a home visit because the caseworker believes that it would be
3 unsafe to conduct the home visit alone, the department shall not
4 deny the request.

5 Sec. 516. (1) From funds appropriated in part 1 for child care
6 fund, the administrative or indirect cost payment equal to 10% of a
7 county's total monthly gross expenditures must be distributed to
8 the county on a monthly basis, and a county is not required to
9 submit documentation to the department for any of the expenditures
10 that are covered under the 10% payment as described in section
11 117a(4)(b)(ii) and (iv) of the social welfare act, 1939 PA 280, MCL
12 400.117a.

13 (2) From the funds appropriated in part 1 for child care fund
14 - indirect cost allotment, the department shall allocate
15 \$3,500,000.00 to counties and tribal governments that receive
16 reimbursements in part 1 from child care fund.

17 (3) The amount described in subsection (2) must be distributed
18 to each county or tribal government in the same proportion as
19 indirect cost allotments are provided to counties in the same
20 manner described in section 117a of the social welfare act, 1939 PA
21 280, MCL 400.117a.

22 Sec. 517. For a child placed in a family foster care home
23 located out of this state, the department may ask a state or
24 private child placing agency contracted by the receiving state to
25 carry out required visits and any additional visits that the
26 department finds necessary.

27 Sec. 518. Not later than March 1 of the current fiscal year,
28 the department shall submit, to the standard report recipients, a
29 report on the cumulative child care fund expenditures of in-home



1 juvenile justice care that are eligible for the 75% state and 25%
2 local split required under section 117a(4) (i) of the social welfare
3 act, 1939 PA 280, MCL 400.117a. Eligible expenditures include
4 community-based juvenile supervision, services, and related
5 practices, and per diem rates for the use of respite and shelter
6 for less than 30 days. The report must also include the
7 expenditures by county and type of service provided, the number of
8 youth receiving care, and the number of days of care.

9 Sec. 520. Not later than February 15 of the current fiscal
10 year, the department shall submit, to the standard report
11 recipients, a report on the number of days of care and expenditures
12 by funding source for the previous fiscal year for out-of-home
13 placements by specific placement programs for child abuse or child
14 neglect and juvenile justice, including, but not limited to, paid
15 relative placement, department direct family foster care, private-
16 agency-supervised foster care, private child caring institutions,
17 county-supervised facilities, and independent living. The report
18 must also include the number of days of care for department-
19 operated residential juvenile justice facilities by security
20 classification.

21 Sec. 521. From the funds appropriated in part 1, the
22 department shall allocate \$1,000,000.00 to fund support services
23 for child welfare caseworkers and supervisors suffering from post-
24 traumatic stress syndrome and other mental health conditions.

25 Sec. 522. (1) From the funds appropriated in part 1 for youth
26 in transition, the department shall allocate \$750,000.00 for
27 scholarships through the fostering futures scholarship program in
28 the Michigan education trust to youth who were in foster care
29 because of child abuse or child neglect and are attending a college



1 or a career technical educational institution located in this
2 state. One hundred percent of the funds appropriated must be used
3 to fund scholarships for the youth described in this section.

4 (2) Not later than June 1 of the current fiscal year, the
5 department shall submit, to the standard report recipients, a
6 report that includes the number of youth who applied for
7 scholarships under this section, the number of youth who received
8 scholarships under this section and the amount of each scholarship,
9 and the total amount of funds spent or encumbered in the current
10 fiscal year.

11 Sec. 523. (1) Not later than February 15 of the current fiscal
12 year, the department shall submit, to the standard report
13 recipients, a report on the families first, family reunification,
14 and families together building solutions family preservation
15 programs. The report must include both of the following:

16 (a) Population and outcome data based on families served.

17 (b) For each program, information on any innovations that may
18 increase child safety and reduce risk.

19 (2) Not later than October 1 of the current fiscal year, from
20 the funds appropriated in part 1 for family preservation services,
21 the department shall increase the rates established by the increase
22 under section 523(3) of article 6 of 2020 PA 166.

23 Sec. 524. As a condition of receiving funds appropriated in
24 part 1 for strong families/safe children, not later than October 1
25 of the current fiscal year, counties shall submit the service
26 spending plan to the department for approval. Not later than 30
27 calendar days after receipt of a properly completed service
28 spending plan, the department shall approve the service spending
29 plan.



1 Sec. 525. The department shall maintain the same on-site
2 evaluation processes for privately operated child welfare and
3 juvenile justice residential facilities as is used to evaluate
4 state-operated facilities. Penalties for noncompliance must be the
5 same for privately operated child welfare and juvenile justice
6 residential facilities and state-operated facilities.

7 Sec. 527. From the funds appropriated in part 1, the
8 department shall allocate \$5,000,000.00 to support expanded bed
9 capacity for residential juvenile justice.

10 Sec. 528. From the funds appropriated in part 1 for child care
11 fund, the department shall allocate \$3,730,300.00 to support the
12 annual basic grant to counties with a population of less than
13 75,000, according to the most recent federal decennial census, and
14 as described in section 117e of the social welfare act, 1939 PA
15 280, MCL 400.117e, and to eligible tribal entities. The basic grant
16 must be \$56,520.00 to eligible counties and tribal entities.

17 Sec. 529. From the funds appropriated in part 1 for family
18 preservation programs, the department shall increase the total
19 combined funding levels of the families first, family
20 reunification, and families together building solutions family
21 preservation programs at an amount not less than the amount
22 provided as of September 30, 2021.

23 Sec. 530. (1) All master contracts relating to foster care and
24 adoption services as funded by the appropriations in section 105 of
25 part 1 must be performance-based contracts that employ a client-
26 centered and results-oriented process that is based on measurable
27 performance indicators and desired outcomes and includes an annual
28 assessment of the quality of services provided.

29 (2) Not later than February 1 of the current fiscal year, the



1 department shall submit, to the standard report recipients, a
2 report detailing measurable performance indicators, desired
3 outcomes, and an assessment of the quality of services provided by
4 the department during the previous fiscal year.

5 Sec. 531. (1) The department shall research potential
6 programming focusing on wrap-around services for youth and families
7 in the child welfare system. Research must include, but not be
8 limited to, the possible expansion of TANF and federal Title IV-E
9 funding for families outside of the formal child welfare system.

10 (2) By April 1 of the current fiscal year, the department
11 shall submit to the standard report recipients a report on the
12 findings of the research described in subsection (1).

13 Sec. 532. Beginning on October 1 of the current fiscal year,
14 the department shall hold semiannual meetings with state and
15 private residential providers to receive feedback and discuss
16 potential improvements to the residential system.

17 Sec. 534. Not later than March 1 of the current fiscal year,
18 the department shall submit, to the standard report recipients, a
19 report on the adoption subsidies expenditures from the previous
20 fiscal year. The report must include, but is not limited to, the
21 range of non-\$0.00 annual adoption support subsidy amounts, for
22 both title IV-E eligible cases and state-funded cases, paid to
23 adoptive families; the number of title IV-E and state-funded cases;
24 the number of cases in which an adoption support subsidy request by
25 an adoptive parent was denied by the department; and the number of
26 adoptive parents who requested an adoption support subsidy
27 redetermination.

28 Sec. 537. Not later than March 1 of the current fiscal year,
29 the department shall submit, to the standard report recipients, a



1 report on the following information for cases of child abuse or
2 child neglect from the previous fiscal year:

3 (a) The total number of relative care placements.

4 (b) The total number of relative care placements into
5 unlicensed relative homes.

6 (c) The total number of relative care placements into licensed
7 relative homes.

8 (d) The total number of unlicensed relative providers with a
9 relative placement that were denied a foster home license due to
10 not meeting the standards established for foster care licensing in
11 this state.

12 (e) From a sample of cases, a list of the reasons documented
13 by the department for denial of relative foster home licensure.

14 (f) For licensed relative caregivers without placements, the
15 status of title IV-E claims for foster care maintenance payments
16 and foster care administrative payments.

17 Sec. 540. If a physician or psychiatrist who is providing
18 services to a state or court ward placed in a residential facility
19 submits a formal request to the department to change the
20 psychotropic medication for a ward, the department shall, if the
21 ward is a state ward, make a determination on the proposed change
22 not later than 7 business days after the request or, if the ward is
23 a temporary court ward, seek parental consent not later than 7
24 business days after the request. If the determination or parental
25 consent is not provided by the seventh business day, the department
26 shall petition the court for the determination or consent on the
27 eighth business day.

28 Sec. 546. (1) From the funds appropriated in part 1 for foster
29 care payments and from child care fund, the department shall pay an



1 administrative rate of not less than \$60.20 to providers of general
2 foster care, independent living, and trial reunification services.

3 (2) From the funds appropriated in part 1, the department
4 shall pay providers of independent living plus services per diem
5 statewide rates for staff-supported housing and host-home housing
6 that are based on proposals submitted in response to a solicitation
7 for pricing. The independent living plus program provides staff-
8 supported housing and services for foster youth 16 years of age to
9 19 years of age who, because of their individual needs and
10 assessments, are not initially appropriate for general independent
11 living foster care.

12 (3) If required by the federal government to meet title IV-E
13 requirements, on a quarterly basis, providers of foster care
14 services shall submit a report on expenditures to the department to
15 identify actual costs of providing foster care services.

16 Sec. 547. (1) From the funds appropriated in part 1 for the
17 guardianship assistance program, the department shall pay a minimum
18 rate that is not less than the approved age-appropriate payment
19 rates for youth placed in family foster care.

20 (2) The department shall submit, to the standard report
21 recipients, a report that includes quarterly data on the number of
22 children enrolled in the guardianship assistance and foster care -
23 children with serious emotional disturbance waiver programs.

24 Sec. 550. (1) The department shall not offset against
25 reimbursements to counties or seek reimbursement from counties for
26 charges that were received by the department more than 12 months
27 before the department seeks to offset against reimbursement. A
28 county shall not request reimbursement, and reimbursements must not
29 be paid, for a charge that is more than 12 months after the date of



1 service or original status determination when initially submitted
2 by the county.

3 (2) Not later than 12 months after a date of service, a
4 service provider shall submit a request for payment. A request for
5 payment submitted later than 12 months after the date of service
6 requires the provider to submit an exception request to the county
7 or the department for approval or denial.

8 (3) A county is not subject to any offset, chargeback, or
9 reimbursement liability for a prior expenditure resulting from an
10 error in a foster care fund source determination.

11 Sec. 551. Not later than 30 days after a county requests a
12 clarification through the department's child care fund management
13 unit email address, the department shall respond to the request.

14 Sec. 552. Sixty days after a county's child care fund review
15 is completed, including the receipt of all requested documentation
16 from the county, the department shall provide the results of the
17 review to the county. In the review, the department shall not
18 evaluate the relevancy, quality, effectiveness, efficiency, or
19 impact of the services provided to youth by the county's child care
20 fund programs. The department shall not release the results of a
21 county's child care fund review to a third party without the
22 permission of the county.

23 Sec. 557. If a vehicle that is owned by the state is available
24 and not scheduled for use by other state workers, the department
25 may consider a children's protective services caseworker or a
26 foster care caseworker driving the vehicle to a foster home visit
27 or driving the vehicle to the caseworker's own home as an allowable
28 use of the vehicle if the driving would be helpful to the
29 caseworker in conducting the caseworker's work.



1 Sec. 559. (1) From the funds appropriated in part 1 for
2 adoption support services, not later than December 1 of the current
3 fiscal year, the department shall allocate \$500,000.00 to operate
4 an adoptive parent mentor program to provide a listening ear,
5 knowledgeable guidance, and community connections to adoptive
6 parents and children who were adopted in this state or another
7 state.

8 (2) Not later than March 1 of the current fiscal year, the
9 grant recipient shall submit, to the standard report recipients, a
10 report on the program described in subsection (1), including, but
11 not limited to, the number of cases served and the number of cases
12 in which the program prevented an out-of-home placement.

13 Sec. 560. From funds appropriated in part 1 for foster care
14 payments, the department shall allocate \$100,000.00 to reimburse
15 children in foster care for the costs of extracurricular
16 activities, which include, but are not limited to, athletics,
17 music, band, drama, and other enrichment activities.

18 Sec. 562. If a foster parent transports a foster child to
19 parent-child visitation, the department shall reimburse the foster
20 parent for the foster parent's time and travel. As part of the
21 foster care parent contract, the department shall provide written
22 confirmation to foster parents that states that the foster parents
23 have the right to request reimbursement for all parent-child
24 visitations. Not later than 60 days after receiving a request from
25 a foster parent for eligible reimbursement, the department shall
26 provide the reimbursement.

27 Sec. 564. (1) The department shall maintain a clear policy for
28 parent-child visitations. The local county offices, caseworkers,
29 and supervisors shall meet an 85% success rate, after accounting



1 for factors outside of caseworker control.

2 (2) In accordance with the court-ordered number of required
3 meetings between caseworkers and a parent, the caseworkers shall
4 achieve a success rate of 85%, after accounting for factors outside
5 of caseworker control.

6 (3) Not later than March 1 of the current fiscal year, the
7 department shall submit, to the standard report recipients, a
8 report on the following:

9 (a) The percentage of success rates for parent-child
10 visitations and court-ordered required meetings under subsections
11 (1) and (2) for the previous fiscal year.

12 (b) The barriers to achieve the success rates described in
13 subsections (1) and (2) and how this information is tracked.

14 Sec. 568. (1) The department shall ensure each youth
15 transitioning out of foster care is given assistance with obtaining
16 a driver license or state identification card and is issued a copy
17 of the youth's Social Security number, as required by department
18 policy. Assistance must be provided to each youth who is eligible
19 to obtain a driver license or state identification card and, based
20 on the youth's citizenship and legal residency status, a Social
21 Security card.

22 (2) Not later than April 1 of the current fiscal year, the
23 department shall submit, to the standard report recipients, a
24 report on the number of youth who received assistance with
25 obtaining a driver license or state identification card, the number
26 of youth who received assistance with obtaining a Social Security
27 card, and the number of youth who were eligible for assistance but
28 did not receive the assistance and an explanation as to why the
29 youth did not receive the assistance.



1 Sec. 569. The department shall reimburse each private child
2 placing agency that completes an adoption at the rate on the date
3 when the petition for adoption and the required support
4 documentation were accepted by the court and not the rate on the
5 date when the court's order placing for adoption was entered.

6 Sec. 574. (1) From the funds appropriated in part 1 for foster
7 care payments, \$1,375,000.00 is allocated to support family
8 incentive grants to private and community-based foster care service
9 providers for assistance with home improvements and items needed to
10 ensure compliance with licensing rule requirements, including
11 payment for physical exams needed by foster families, and, to
12 accommodate children in foster care, alleviating potential safety
13 concerns for unlicensed relatives caring for a family member
14 through the child welfare system.

15 (2) Not later than March 1 of the current fiscal year, the
16 department shall submit, to the standard report recipients, a
17 report on the total amount expended in the previous year for grants
18 to private and community-based foster care service providers for
19 home improvements or physical exams described in subsection (1) and
20 the number of grants issued.

21 Sec. 575. From the funds appropriated in part 1 for children's
22 services administration, the department shall allocate \$200,000.00
23 to provide support and coordinated services to the kinship
24 caregiver advisory council. The responsibilities of the council may
25 include all of the following:

26 (a) Establishing a public awareness campaign to educate the
27 public about kinship caregivers and this state's efforts to better
28 serve kinship caregivers.

29 (b) Consulting and coordinating with the kinship caregiver



1 navigator program to collect aggregate data on individuals being
2 served by the kinship caregiver navigator program, including
3 information on what services the individuals need.

4 (c) Consulting and collaborating with the provider of the
5 kinship caregiver navigator program on the design and
6 administration of the program.

7 (d) Establishing, maintaining, and updating a list of local
8 support groups and programs that provide services to kinship
9 families and, in order to obtain a better understanding of the
10 issues facing kinship families, devising a plan of action for
11 engaging with the groups and programs on the list.

12 (e) Developing methods to promote and improve collaboration
13 between state, county, and local governments and agencies and
14 private stakeholders for all of the following reasons:

15 (i) To obtain a broad understanding of the characteristics and
16 prevalence of kinship caregiving.

17 (ii) To improve service delivery.

18 (iii) To include the methods in the council's recommendations.

19 Sec. 578. (1) From the funds appropriated in part 1 for foster
20 care payments, the department shall allocate up to \$1,744,100.00 in
21 Title IV-E passthrough funds for educational pilot programs to
22 strengthen this state's child welfare workforce. The department
23 shall enter into contractual arrangements with state universities
24 to provide bachelor of social work and master of social work
25 educational training, including field placements and stipends for
26 tuition and educational expenses. In exchange, students completing
27 eligible educational programs are contractually obligated to work
28 for Michigan child welfare agencies for a minimum of 4 months for
29 every semester they receive the stipend. The matching funds for the



1 Title IV-E funds must be provided by the participating state
2 universities from the expenses incurred for training child welfare
3 students who participate in the program.

4 (2) Not later than March 1 of the current fiscal year, the
5 department shall submit, to the standard report recipients, a
6 report on the status of pilot programs under subsection (1) that
7 includes, but is not limited to, the total number of applicants,
8 the total number of program participants, a list of state
9 universities that participated in the pilot programs, and the total
10 amount of matching funds that each state university contributed to
11 the programs.

12 Sec. 581. From the funds appropriated in part 1 for foster
13 care payments, the department shall allocate \$50,000.00 for
14 caseworkers to provide immediate assistance with urgent needs,
15 including, but not limited to, food, clothing, and other basic
16 necessities, for children, including children who are victims of
17 human trafficking, on the children's removal from the children's
18 homes or other dangerous environments. The department shall track
19 the distribution of the funds and, not later than June 1 of the
20 current fiscal year, submit, to the standard report recipients, a
21 report on the amount of funds distributed and the number of
22 children impacted.

23 Sec. 583. Not later than March 1 of the current fiscal year,
24 the department shall submit, to the standard report recipients and
25 the senate and house of representatives standing committees that
26 cover subject matters dealing with families and human services, a
27 report that includes all of the following:

28 (a) The number and percentage of foster parents that closed
29 their license in the previous fiscal year, the reasons the foster



1 parents left, and how the figures compare to the figures for prior
2 fiscal years.

3 (b) The number and percentage of foster parents successfully
4 retained in the previous fiscal year and how the figures compare to
5 the figures for prior fiscal years.

6 (c) The number and percentage of licensed foster homes that
7 closed their license because they adopted their foster child.

8 Sec. 585. Each month, the department shall make available at
9 least 1 pre-service training class in which new caseworkers for
10 private foster care and adoption agencies can enroll.

11 Sec. 588. (1) Concurrently with public release, the department
12 shall transmit, without revision, all reports from the court-
13 appointed settlement monitor, including, but not limited to, the
14 needs assessment and period outcome reporting, to the standard
15 report recipients.

16 (2) Not later than October 1 of the current fiscal year, the
17 department shall submit, to the standard report recipients, a
18 detailed plan that addresses the status and progress toward exiting
19 the settlement by September 30 of the current fiscal year. The
20 report must include an update on the department's child welfare
21 initiative.

22 Sec. 589. (1) From the funds appropriated in part 1 for child
23 care fund, the department shall pay 100% of the administrative rate
24 for all new cases referred to providers of foster care services.

25 (2) On a quarterly basis, the department shall submit a
26 report, to the standard report recipients, on the monthly number of
27 all foster care cases administered by the department and all foster
28 care cases administered by private providers.

29 Sec. 592. On a quarterly basis, the department shall submit,



1 to the chairs of the senate and house of representatives standing
2 oversight committees and the standard report recipients, a report
3 that includes data from children's protective services staff for
4 each of the following for the most recent quarter before the
5 applicable report is submitted:

6 (a) The percent of investigations commenced in 24 hours
7 immediately after receiving a report.

8 (b) The percent of central registry reviews performed for
9 required individuals.

10 (c) The percent of face-to-face contacts made within the
11 established timeframe required by the department.

12 (d) In appropriate cases, the percent of sibling placement
13 evaluations completed when 1 or more children remain in the home
14 after a child has been removed.

15 (e) The percent of supervisory reviews performed in a timely
16 manner.

17 (f) The results of a department survey of children's
18 protective services investigators on the number of investigators
19 who are concerned for their own personal safety.

20 (g) The percent of investigators using the mobile application
21 or another tool to document compliance.

22 Sec. 593. The department shall conduct an annual review in
23 each county to determine if the county has adopted and implemented
24 standard child abuse and child neglect investigation and interview
25 protocols under section 8(6) of the child protection law, 1975 PA
26 238, MCL 722.628.

27 Sec. 594. From the funds appropriated in part 1 for foster
28 care payments, the department shall support regional resource teams
29 to provide for the recruitment, retention, and training of foster



1 and adoptive parents and shall expand the Michigan youth
2 opportunities initiative to all counties of this state. The purpose
3 of the funding is to increase the number of annual inquiries from
4 prospective foster parents, increase the number of nonrelative
5 foster homes that achieve licensure each year, increase the annual
6 retention rate of nonrelative foster homes, reduce the number of
7 older foster youth placed outside of family settings, and provide
8 older youth with enhanced support in transitioning to adulthood.

9 Sec. 598. Partial child care fund reimbursements to counties
10 for undisputed charges must not be made later than 45 business days
11 after receipt of the required forms and documentation. Not later
12 than 15 business days after receiving a request from a county for
13 reimbursement of a disputed charge, the department shall commence
14 activity to investigate and resolve the disputed reimbursement
15 charge. The activity to investigate and resolve a disputed
16 reimbursement charge may include, but is not limited to, the use of
17 a formal appeals process under applicable law and the department
18 chargeback policy. Not later than 45 business days after a properly
19 corrected submission by the county, the department shall reimburse
20 the county for the corrected charge or charges.

21 22 **PUBLIC ASSISTANCE**

23 Sec. 601. After a client agrees to the release of the client's
24 name and address to the local housing authority, the department
25 shall request from the local housing authority information
26 regarding whether the housing unit for which vendoring has been
27 requested meets applicable local housing codes. Vendoring must be
28 terminated if the local housing authority indicates in writing that
29 the unit does not meet local housing codes and until the local



1 housing authority indicates in writing that the local housing codes
2 have been met.

3 Sec. 602. The department shall conduct a full evaluation of an
4 individual's assistance needs if the individual has applied for
5 disability more than 1 time in a 1-year period.

6 Sec. 603. For any change in the income of a recipient of the
7 food assistance program, the family independence program, or state
8 disability assistance that results in a benefit decrease, the
9 department shall notify the recipient of the amount of the decrease
10 not later than 15 work days before the first day of the month in
11 which the decrease takes effect.

12 Sec. 604. (1) From the funds appropriated in part 1 for state
13 disability assistance payments, the department shall operate a
14 state disability assistance program. Except as provided in
15 subsection (3), to be eligible for the program, an individual must
16 be a needy citizen of the United States or alien exempted from the
17 SSI citizenship requirement who is not less than 18 years of age,
18 or an emancipated minor, and meets 1 or more of the following
19 requirements:

20 (a) Is a recipient of SSI, Social Security, or medical
21 assistance due to disability or being 65 years of age or older.

22 (b) Is an individual with a physical or mental impairment that
23 meets federal SSI disability standards, except that the minimum
24 duration of the disability must be 90 days. Substance use disorder
25 alone is not a basis for eligibility.

26 (c) Is a resident of an adult foster care facility, a home for
27 the aged, a county infirmary, or a substance use disorder treatment
28 center.

29 (d) Is an individual receiving 30-day postresidential



1 substance use disorder treatment.

2 (e) Is an individual diagnosed as having AIDS.

3 (f) Is an individual receiving special education services
4 through a local intermediate school district.

5 (g) Is a caretaker of a disabled individual who meets the
6 requirements specified in subdivision (a), (b), (e), or (f).

7 (2) An applicant for or recipient of state disability
8 assistance is considered needy if the applicant or recipient does
9 both of the following:

10 (a) Meets the same asset test as is applied for the family
11 independence program.

12 (b) Has a monthly budgetable income that is less than the
13 payment standards.

14 (3) Except for an individual described in subsection (1)(c) or
15 (d), an individual is not disabled under this section if the
16 individual's drug addiction or alcoholism is a contributing factor
17 material to the determination of disability.

18 (4) As used in this section:

19 (a) "Material to the determination of disability" means that,
20 if the individual stopped using drugs or alcohol, the individual's
21 remaining physical or mental limitations would not be disabling. If
22 the individual's remaining physical or mental limitations would be
23 disabling, then the drug addiction or alcoholism is not material to
24 the determination of disability and the individual may receive
25 state disability assistance, but the individual must actively
26 participate in a substance abuse treatment program, and the
27 assistance must be paid to a third party or through vendor
28 payments.

29 (b) "Substance abuse treatment" includes receipt of inpatient



1 or outpatient services or participation in Alcoholics Anonymous or
2 a similar program.

3 Sec. 605. The level of reimbursement provided to state
4 disability assistance recipients in licensed adult foster care
5 facilities must be the same as the prevailing SSI rate under the
6 personal care category.

7 Sec. 606. County department offices shall require each
8 recipient of family independence program and state disability
9 assistance who has applied with the Social Security Administration
10 for SSI to sign a contract to repay any assistance rendered through
11 the family independence program or state disability assistance
12 program on receipt of retroactive SSI benefits.

13 Sec. 607. (1) The department's ability to satisfy
14 appropriation deductions in part 1 for state disability
15 assistance/supplemental security income recoveries and public
16 assistance recoupment revenues is not limited to recoveries and
17 accruals pertaining to state disability assistance, or family
18 independence program grant payments provided only in the current
19 fiscal year and may include revenues collected during the current
20 year that are prior-year-related and not a part of the department's
21 accrued entries.

22 (2) The department may use SSI recoveries to satisfy the
23 deduct in any line in which the revenues are appropriated,
24 regardless of the source from which the revenue is recovered.

25 Sec. 608. An adult foster care facility that provides
26 domiciliary care or personal care to a resident receiving SSI or a
27 home for the aged serving a resident receiving SSI shall not
28 require a resident described in this section to reimburse the home
29 for the aged or adult foster care facility for care at a rate in



1 excess of a rate that is authorized by the legislature. To the
2 extent permitted by federal law, an adult foster care facility and
3 home for the aged that serves a resident receiving SSI is not
4 prohibited from accepting a third-party payment in addition to SSI
5 if the payment is not for food, clothing, or shelter, or would
6 result in a reduction in the resident's SSI payment.

7 Sec. 609. The department shall not reduce the state
8 supplementation level under the SSI program for the personal
9 care/adult foster care and home for the aged categories during the
10 current fiscal year. Not later than 30 days before a proposed
11 reduction in the state supplementation level, the department shall
12 notify the legislature of the proposed reduction.

13 Sec. 610. (1) The department shall grant an exemption from the
14 good-cause criteria for the state emergency relief program if an
15 emergency results from an unexpected expense related to maintaining
16 or securing employment.

17 (2) In determining housing affordability eligibility for state
18 emergency relief, a group is considered to have sufficient income
19 to meet ongoing housing expenses if the group's total housing
20 obligation does not exceed 75% of the group's total net income.

21 (3) The department shall not make a state emergency relief
22 payment to an individual who has been found guilty of fraud in
23 obtaining public assistance.

24 (4) The department shall not make a state emergency relief
25 payment to an individual who is an out-of-state or nonlegal
26 resident.

27 (5) The department shall distribute a state emergency relief
28 payment for rent assistance directly to a landlord and shall not
29 add the payment to a Michigan bridge card.



1 Sec. 611. The state supplementation level under the SSI
2 program for the living independently category or living in the
3 household of another category must not exceed the minimum state
4 supplementation level as required under federal law.

5 Sec. 613. (1) From the funds appropriated in part 1 for
6 indigent burial, the department shall provide a reimbursement for
7 the final disposition of an indigent individual. A reimbursement
8 under this section must comply with all of the following:

9 (a) The maximum allowable reimbursement for the final
10 disposition is \$960.00.

11 (b) The adult burial with services allowance is \$875.00.

12 (c) The adult burial without services allowance is \$610.00.

13 (d) The infant burial allowance is \$240.00.

14 (e) The adult cremation with services allowance is \$640.00.

15 (f) The adult cremation without services allowance is \$390.00.

16 (g) The maximum allowable reimbursement where an irrevocable
17 funeral agreement exists is \$260.00.

18 (2) The department shall reimburse up to \$80.00 for a
19 cremation permit fee and for mileage at the standard rate for an
20 eligible cremation. A reimbursement under this subsection must take
21 into consideration whether an indigent individual's religious
22 preference prohibits cremation.

23 (3) An application for burial services must be made no later
24 than 20 business days after the burial, cremation, or donation
25 takes place. A friend or relative of the indigent individual may
26 supplement the burial payment in any amount up to \$6,000.00 for
27 additional services. A funeral director, with written authorization
28 provided by a relative of the indigent individual, is deemed an
29 authorized representative for burial benefits.



1 (4) By January 31 of the current fiscal year, the department
2 shall submit a report to the standard report recipients on burial
3 service payments issued from the state emergency relief program
4 during the previous fiscal year. The report must include the number
5 of applicants denied and the number of payments by the following
6 burial service categories:

- 7 (a) Fetus or infant less than 1 month of age.
- 8 (b) Burial with memorial service.
- 9 (c) Burial without memorial service.
- 10 (d) Cremation with memorial service.
- 11 (e) Cremation without memorial service.
- 12 (f) Transportation of a donated or unclaimed body being
13 cremated.
- 14 (g) Cremation permit fee for an unclaimed body.
- 15 (h) Disposition of an unclaimed body.
- 16 (i) Payment if an irrevocable funeral agreement exists.
- 17 (j) An unclaimed body received by a university.

18 Sec. 614. By January 15 of the current fiscal year, the
19 department shall submit a report to the standard report recipients
20 on the number and percentage of state disability assistance
21 recipients who were determined to be eligible for federal SSI
22 benefits in the previous fiscal year.

23 Sec. 615. Except as required by federal law, the department
24 shall not use funds appropriated in part 1 to provide public
25 assistance to an individual who is not a United States citizen,
26 permanent resident alien, or refugee. This section does not
27 prohibit the department from entering into a contract with a food
28 bank, emergency shelter provider, or another human service agency
29 that may, as a normal part of doing business, provide food or



1 emergency shelter.

2 Sec. 616. The department shall require a retailer that
3 participates in the electronic benefits transfer program to charge
4 no more than a \$2.50 fee for cash back as a condition of
5 participation.

6 Sec. 619. The department shall not deny a title IV-A
7 assistance and food assistance benefit under 21 USC 862a to an
8 individual who has been convicted of a felony for the possession,
9 use, or distribution of a controlled substance, if both of the
10 following are met:

11 (a) The act that resulted in the conviction occurred after
12 August 22, 1996.

13 (b) The individual is not in violation of the individual's
14 probation or parole requirements.

15 Sec. 620. (1) The department shall determine a Medicaid
16 applicant's Medicaid eligibility not later than 90 days after the
17 Medicaid applicant completes a Medicaid application if the Medicaid
18 applicant's disability is an eligibility factor. For other Medicaid
19 applicants, including an applicant who is a patient of a nursing
20 home, the department shall determine the applicant's Medicaid
21 eligibility within 45 days after receiving the Medicaid applicant's
22 application.

23 (2) On a quarterly basis, the department shall submit a report
24 to the standard report recipients on the number of recipients who
25 were ineligible for Medicaid after Medicaid eligibility
26 redeterminations resumed after federal continuous enrollment
27 requirements ended. The report must include, in a monthly data
28 format, the number of recipients who had their eligibility examined
29 directly, through an ex parte eligibility process or through a



1 passive eligibility process. The report must also include a copy of
2 each baseline and monthly report that the department provides to
3 CMS for unwinding data reporting and the number of recipients who
4 did not respond to the department through eligibility outreach or
5 data requests.

6 Sec. 645. The department shall consider an individual or
7 family to be homeless for purposes of eligibility for state
8 emergency relief, if the individual or family is living temporarily
9 with another in order to escape domestic violence. The department
10 shall define and verify domestic violence in the same manner as the
11 department defines and verifies that term in the department's
12 policies on good cause for not cooperating with child support and
13 paternity requirements.

14 Sec. 652. (1) Not later than November 1 of the current fiscal
15 year, the department shall request a waiver from the United States
16 Department of Agriculture to exclude soda and candy from the
17 definition of eligible foods under 7 CFR 271.2. If the United
18 States Department of Agriculture grants the waiver requested under
19 this subsection, the funds appropriated in part 1 for food
20 assistance program benefits must not be used to purchase soda or
21 candy with benefits provided through the food assistance program.

22 (2) As used in this section, "soda" means any nonalcoholic
23 beverage that contains natural or artificial sweeteners. Soda does
24 not include a beverage that contains milk or milk substitutes or is
25 greater than 50% vegetable juice or fruit juice by volume.

26 (3) As used in this section, "candy" means preparations of
27 sugar, honey, or other sweeteners in combination with chocolate,
28 fruits, nuts, or other ingredients in the form of bars, drops, or
29 pieces. Candy does not include bars, drops, or pieces that contain



1 flour or that require refrigeration.

2 Sec. 653. From the funds appropriated in part 1 for food
3 assistance program benefits, an individual who is the victim of
4 domestic violence or human trafficking and who does not qualify for
5 any other exemption may be exempt from the 3-month in 36-month
6 limit on receiving food assistance under 7 USC 2015. The department
7 may extend the exemption for an additional 3 months if an
8 individual described in this section demonstrates to the department
9 a continuing need.

10 Sec. 654. The department shall notify a recipient of food
11 assistance program benefits that the recipient's benefits can be
12 spent with the recipient's Michigan bridge card at many farmers
13 markets in this state. The department shall also provide a
14 recipient with information about the double up food bucks program
15 that is administered by the Fair Food Network. The information
16 about the double up food bucks program must include, but is not
17 limited to, information that if the recipient spends \$20.00 at a
18 participating farmers market through the program, the recipient may
19 receive an additional \$20.00 to buy Michigan produce.

20 Sec. 655. Not later than 14 days after the spending plan for
21 low-income home energy assistance program is approved by the state
22 budget office, the department shall provide the spending plan,
23 including itemized projected expenditures and itemized expenditures
24 for the previous fiscal year, to the standard report recipients.

25 Sec. 660. From the funds appropriated in part 1 for Michigan
26 agricultural surplus system, the department shall allocate
27 \$12,045,000.00 for procuring and distributing the Michigan
28 agricultural surplus system to distribute surplus produce to low-
29 income residents of this state.



1 Sec. 669. From the funds appropriated in part 1 for family
2 independence program - clothing allowance, the department shall
3 allocate \$10,000,000.00 for the annual clothing allowance. The
4 department shall grant the allowance to eligible children in a
5 family independence program group.

6 Sec. 672. (1) By February 15 of the current fiscal year, the
7 department's office of inspector general shall submit a report to
8 the standard report recipients on the department's efforts to
9 reduce the inappropriate use of Michigan bridge cards and food
10 assistance program trafficking. The department shall provide
11 information on the number of recipients of services who used their
12 Michigan bridge card inappropriately and the current status of each
13 case, the number of recipients whose benefits were permanently and
14 temporarily revoked as a result of inappropriately using their
15 Michigan bridge cards, and the number of retailers that were fined
16 or removed from the electronic benefit transfer program for
17 permitting the inappropriate use of Michigan bridge cards. The
18 report must also include the number of Michigan bridge card
19 trafficking instances and overall welfare fraud referrals, that
20 includes, but is not limited to, information on the number of
21 investigations completed, fraud and intentional program violation
22 dollar amounts identified, the number of referrals to prosecutors,
23 the number of administrative hearing referrals and waivers, and the
24 number of program disqualifications imposed. The report must
25 distinguish between savings and cost avoidance. As used in this
26 subsection:

27 (a) "Cost avoidance" includes expenditures avoided due to
28 front-end eligibility investigations and other preemptive actions
29 undertaken in the prevention of fraud.



1 (b) "Savings" includes receivables established from instances
2 of fraud committed.

3 (2) If a fourth Michigan bridge card has been issued to a
4 household in a 12-month period, the department shall notify the
5 household that the household has reached the number of issued cards
6 threshold. At a household's fifth and each subsequent card
7 replacement request, a card will not be issued until a recipient
8 from the household has spoken directly to the local office district
9 manager or county director. The district manager or county director
10 may issue a new Michigan bridge card based on the district
11 manager's or county director's assessment of the recipient's
12 situation and the recipient's explanation.

13 (3) As used in this section:

14 (a) "Food assistance trafficking" means the buying and selling
15 of food assistance benefits for cash or items not authorized under
16 7 USC 2036b.

17 (b) "Inappropriate use" means not used to meet a family's
18 ongoing basic needs, including, but not limited to, food, clothing,
19 shelter, utilities, household goods, personal care items, and
20 general incidentals.

21 Sec. 673. From the funds appropriated in part 1, the
22 department shall allocate an amount not to exceed \$16,300,000.00 to
23 adopt chip card technology for all Michigan bridge cards and any
24 other credit and debit industry standards as published by the
25 Accredited Standards Committee X9. The department shall implement
26 these standards by January 1 of the current fiscal year.

27 Sec. 674. In addition to the funds appropriated in part 1,
28 there is appropriated an amount not to exceed \$333,528,900.00, for
29 federal food assistance program contingency authorization. Amounts



1 appropriated under this section are not available for expenditure
2 until they have been transferred to the food assistance program
3 benefits line item in part 1 under section 393(2) of the management
4 and budget act, 1984 PA 431, MCL 18.1393, and the department has
5 provided a report to the standard report recipients detailing a
6 plan to lower the food assistance program error rate and any other
7 efforts to reduce fraud, abuse, and waste in the food assistance
8 program.

9 Sec. 677. (1) The department shall establish a state goal for
10 the percentage of family independence program cases involved in
11 employment activities. The percentage established must not be less
12 than 50%. The goal for long-term employment must be 15% of cases
13 for 6 months or more.

14 (2) The department shall submit an annual report, providing
15 quarterly data, to the standard report recipients on the number of
16 cases referred to PATH, the current percentage of family
17 independence program cases involved in PATH employment activities,
18 an estimate of the current percentage of family independence
19 program cases that meet federal work participation requirements on
20 the whole, and an estimate of the current percentage of the family
21 independence program cases that meet federal work participation
22 requirements for those cases referred to PATH.

23 (3) The department shall submit a report to the standard
24 report recipients. The report must include quarterly data on all of
25 the following:

26 (a) The number and percentage of nonexempt family independence
27 program recipients who are employed.

28 (b) The average and range of wages of employed family
29 independence program recipients.



1 (c) The number and percentage of employed family independence
2 program recipients who remain employed for 6 months or more.

3 Sec. 678. (1) From the funds appropriated in part 1 for family
4 independence program - child supplemental payment, the department
5 shall allocate \$20,240,100.00 of TANF revenue to provide a
6 supplemental payment for the current fiscal year for each child
7 under 14 years of age within a family receiving cash assistance.
8 Not later than November 30 of the current fiscal year, the
9 department shall distribute an equal payment based on the
10 following:

11 (a) 70% of the funds available in part 1 and the total number
12 of children under 6 years of age who are within a family receiving
13 cash assistance.

14 (b) 30% of the funds available in part 1 and the total number
15 of children who are not less than 6 years of age and up to 14 years
16 of age within a family receiving cash assistance.

17 (2) By February 1 of the current fiscal year, the department
18 shall submit a report to the standard report recipients on the
19 amount of funding distributed under this section and shall include
20 the number of family independence program cases, the number of
21 family independence program eligible children by age group, and the
22 amount of funding distributed by age category.

23 Sec. 679. (1) From the funds appropriated in part 1 for family
24 independence program - kinship care supplemental payment, the
25 department shall allocate \$5,000,000.00 to provide a supplemental
26 payment for each child within a family receiving a family
27 independence program ineligible grantee award. Not later than
28 November 30 of the current fiscal year, the department shall
29 distribute an equal payment of not less than \$200.00 based on funds



1 available in part 1 and the total number of children who are within
2 a family receiving an ineligible grantee award.

3 (2) By February 1 of the current fiscal year, the department
4 shall submit a report to the standard report recipients on the
5 amount of funding distributed under this section and shall include
6 the number of family independence program cases with an ineligible
7 grantee.

8 Sec. 686. (1) The department shall confirm that an individual
9 who presents a personal identification issued by another state and
10 is seeking assistance through the family independence program, food
11 assistance program, state disability assistance program or medical
12 assistance program is not receiving benefits from another state.

13 (2) The department shall confirm the address provided by an
14 individual who is seeking family independence program benefits or
15 state disability assistance benefits.

16 (3) The department shall prohibit an individual who has
17 property assets assessed at a value higher than \$200,000.00 from
18 receiving assistance through a department-administered program,
19 unless prohibiting assistance would violate a federal law or
20 guideline.

21 (4) The department shall make a reasonable attempt to obtain
22 an up-to-date telephone number for an individual seeking medical
23 assistance benefits during the eligibility determination or
24 redetermination process for the individual.

25 (5) The department shall conduct eligibility redetermination
26 for recipients of Healthy Michigan plan benefits on a 6-month
27 basis.

28 Sec. 687. (1) On a quarterly basis, the department shall
29 compile and make available a report on its website that contains



1 all of the following information about the family independence
2 program, state disability assistance, the food assistance program,
3 indigent burial, Medicaid, and state emergency relief:

4 (a) The number of applications received.

5 (b) The number of applications approved.

6 (c) The number of applications denied.

7 (d) The number of applications pending and neither approved
8 nor denied.

9 (e) The number of cases opened.

10 (f) The number of cases closed.

11 (g) The number of cases at the beginning of the quarter and
12 the number of cases at the end of the quarter.

13 (2) The department shall compile and make the information
14 provided under subsection (1) available for this state as a whole
15 and for each county and shall report the information separately for
16 each program listed in subsection (1).

17 (3) On a quarterly basis, the department shall compile and
18 make available a report on its website of the following family
19 independence program information:

20 (a) The number of new applicants who successfully met the
21 requirements of the 10-day assessment period for PATH.

22 (b) The number of new applicants who did not meet the
23 requirements of the 10-day assessment period for PATH.

24 (c) The number of cases sanctioned because of a school truancy
25 policy.

26 (d) The number of cases closed because of the lifetime limits.

27 (e) The number of first-, second-, and third-time sanctions.

28 (f) The number of children 0 to 5 years of age who are living
29 in a family independence program-sanctioned household.



1 Sec. 688. From the funds appropriated in part 1 for the low-
2 income home energy assistance program, the department shall make an
3 additional \$20.01 payment to each food assistance program case that
4 is not currently eligible for the standard utility allowance to
5 allow each case to receive expanded food assistance benefits
6 through the program commonly known as the heat and eat program.
7

8 **CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE**

9 Sec. 701. Unless required by a change to federal law or the
10 law of this state or at the request of a provider, the department
11 shall not alter the terms of a signed contract with a private
12 residential facility that serves children who are under state or
13 court supervision without receiving written consent from a
14 representative of the private residential facility.

15 Sec. 702. Not later than October 15 and quarterly thereafter,
16 the department shall submit a report to the standard report
17 recipients that includes all of the following:

18 (a) The current facility name and location of the youth who
19 were residing at the Shawono Center on January 24, 2024.

20 (b) The current employment status and location of employment
21 of staff employed at the Shawono Center on January 24, 2024. The
22 information must include the number of staff that have relocated to
23 the new Michigan youth treatment center.

24 (c) The number of youth who were residing at the Shawono
25 Center on January 24, 2024 that returned to their homes.

26 Sec. 706. A county is subject to a 50% chargeback for the use
27 of an alternative regional detention service, if the detention
28 service does not fall under the basic grant provision of section
29 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a



1 county operates the detention service program primarily with
2 professional rather than volunteer staff.

3 Sec. 707. To be reimbursed for child care fund expenditures, a
4 county shall submit to the department the report required under
5 section 117a(11) of the social welfare act, 1939 PA 280, MCL
6 400.117a, to enable the department to document a potential
7 federally claimable expenditure.

8 Sec. 708. (1) As a condition of receiving funds appropriated
9 in part 1 for the child care fund line item, by October 15 of the
10 current fiscal year, a county shall have an approved service
11 spending plan for the current fiscal year. Not later than August 15
12 of the current fiscal year, a county shall submit the county's
13 service spending plan for the following fiscal year to the
14 department for approval. The department shall approve a county's
15 service spending plan not later than 30 calendar days after the
16 department receives a properly completed service spending plan from
17 the county that complies with the requirements of the social
18 welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The department
19 shall notify and submit revisions to a service spending plan to a
20 county whose service spending plan is not approved after initial
21 submission. The department shall not request any additional
22 revisions to a county's service spending plan outside of the
23 requested revision notification submitted to the county by the
24 department. The department shall notify a county that its service
25 spending plan is approved not later than 30 days after the
26 department considers the county's revisions to the county's service
27 spending plan.

28 (2) A county shall submit an amendment to its county service
29 spending plan for the current fiscal year to the department not



1 later than August 30 of the current fiscal year. A county shall
2 submit payable estimates for the current fiscal year to the
3 department not later than September 15 of the current fiscal year.

4 (3) Not later than February 15 of the current fiscal year, the
5 department shall submit a report to the standard report recipients
6 on the number of counties that fail to submit a service spending
7 plan by August 15 of the previous fiscal year and the number of
8 service spending plans not approved by October 15. The report must
9 include the number of county service spending plans that were not
10 initially approved by the department and the number of service
11 spending plans that were not approved by the department after being
12 resubmitted by the county after revisions were requested by the
13 department under subsection (1).

14 Sec. 709. The department's master contract for juvenile
15 justice residential foster care services must prohibit a contractor
16 from denying a referral for placing a youth, or terminating a
17 youth's placement, if the youth's assessed treatment needs are in
18 alignment with the facility's residential program type, as
19 identified by a court or the department. The master contract must
20 also require that a youth placed in a juvenile justice residential
21 foster care facility has regularly scheduled treatment sessions
22 with a licensed psychologist or a psychiatrist, or both, and access
23 to the licensed psychologist or a psychiatrist as needed.

24 25 **LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES**

26 Sec. 801. The department shall submit a monthly report to the
27 standard report recipients on the most recent food assistance
28 program error rate derived from the active cases, reported to the
29 United States Department of Agriculture Food and Nutrition Service



1 for the supplemental nutrition assistance program.

2 Sec. 802. From the funds appropriated in part 1 for local
3 office staff travel, the department shall allocate up to
4 \$100,000.00 annually toward reimbursing the out-of-pocket costs of
5 county board members and county department directors to attend
6 statewide meetings of the Michigan County Social Services
7 Association.

8 Sec. 804. The funds appropriated in part 1 for public
9 assistance local office staff are only available for public
10 assistance local office state employee payroll costs for public
11 assistance local office state employees who work in an in-person
12 environment.

13 Sec. 825. (1) From the funds appropriated in part 1 for
14 employment and training support services, the department shall
15 provide an individual with not more than \$1,000.00 for vehicle
16 repairs, including a repair done in the previous 12 months. The
17 \$1,000.00 limit described in this section includes the combined
18 total of payments made by the department and the work participation
19 program.

20 (2) By February 1 of the current fiscal year, the department
21 shall submit a report to the standard report recipients that
22 details the total amount of funding distributed and the total
23 number of payments made for vehicle repairs.

24 Sec. 826. (1) From the funds appropriated in part 1 for local
25 office policy and administration, not less than \$300,000.00 is
26 allocated for the department to contract with either prosecuting
27 attorney offices or a coordinating agency to provide the support
28 and services necessary to increase the capability of this state's
29 prosecutors, adult protective service system, and criminal justice



1 system to effectively identify, investigate, and prosecute elder
2 abuse and financial exploitation.

3 (2) Not later than March 1 of the current fiscal year, the
4 department shall submit a report to the standard report recipients
5 on the efficacy of the contract.

6 Sec. 850. (1) The department shall maintain each out-stationed
7 eligibility specialist in a community-based organization, community
8 mental health agency, nursing home, adult placement and independent
9 living setting, FQHC, and hospital, unless the community-based
10 organization, community mental health agency, nursing home, adult
11 placement and independent living setting, FQHC, or hospital
12 requests to discontinue the positions at its facility.

13 (2) From the funds appropriated in part 1 for donated funds
14 positions, the department shall enter into a contract with any
15 agency that is able and eligible under federal law to provide the
16 required matching funds for federal funding, as determined by
17 federal law.

18 (3) A contract for a donated funds position for assistance
19 payments must include, but not be limited to, performance metrics
20 on both of the following topics:

21 (a) Meeting a standard of promptness for processing an
22 application for Medicaid and other public assistance programs under
23 the law of this state.

24 (b) Meeting required standards for error rates in determining
25 programmatic eligibility, as determined by the department.

26 (4) The department shall fill an additional donated funds
27 position only after a new contract has been signed with an agency.
28 The position must be abolished when the contract expires or is
29 terminated.



1 (5) The department shall classify as a limited-term FTE a new
2 employee who is hired to fill a donated funds position contract or
3 is hired to fill a vacancy from an employee who transferred to a
4 donated funds position.

5 (6) By March 1 of the current fiscal year, the department
6 shall submit a report to the standard report recipients detailing
7 information on the donated funds positions. The report must
8 include, but is not limited to, the total number of occupied
9 positions, the total private contribution of the positions, and the
10 total cost to this state for a nonsalary expenditure for the
11 donated funds position employees.

12 Sec. 851. From the funds appropriated in part 1 for adult
13 services local office staff, the department shall seek to reduce
14 the number of older adults who are victims of crime and fraud by
15 increasing the standard of promptness in every county, as measured
16 by commencing an investigation not later than 24 hours after a
17 report is made to the department, establishing face-to-face contact
18 with the client not later than 72 hours after a report is made to
19 the department, and completing the investigation not later than 30
20 days after a report is made to the department.

21 22 **DISABILITY DETERMINATION SERVICES**

23 Sec. 890. From the funds appropriated in part 1 for disability
24 determination services, the department shall maintain the unit
25 rates in effect on September 30, 2019 for medical consultants
26 performing disability determination services, including physicians,
27 psychologists, and speech-language pathologists.

28 29 **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	367.5	
--	-------	--

GROSS APPROPRIATION		\$ 73,409,100
----------------------------	--	----------------------

Interdepartmental grant revenues:		
-----------------------------------	--	--

Total interdepartmental grants and intradepartmental transfers		706,600
--	--	---------

ADJUSTED GROSS APPROPRIATION		\$ 72,702,500
-------------------------------------	--	----------------------

Federal revenues:		
-------------------	--	--

Total federal revenues		250,000
------------------------	--	---------

Special revenue funds:		
------------------------	--	--

Total local revenues		0
----------------------	--	---

Total private revenues		0
------------------------	--	---

Total other state restricted revenues		72,452,500
---------------------------------------	--	------------

State general fund/general purpose		\$ 0
---	--	-------------

Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT

Full-time equated unclassified positions	6.0	
--	-----	--

Full-time equated classified positions	19.5	
--	------	--

Unclassified salaries--FTEs	6.0	\$ 955,500
-----------------------------	-----	------------

Administrative hearings		173,700
-------------------------	--	---------



1	Department services--FTEs	16.0	3,587,900
2	Executive director programs--FTEs	3.5	916,800
3	Property management		1,217,200
4	Worker's compensation		1,200
5	GROSS APPROPRIATION	\$	6,852,300
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from MDLARA, for debt management		64,900
9	Special revenue funds:		
10	Bank fees		543,500
11	Captive insurance regulatory and supervision		
12	fund		51,300
13	Consumer finance fees		265,200
14	Credit union fees		891,300
15	Deferred presentment service transaction fees		240,800
16	Insurance bureau fund		2,177,500
17	Insurance continuing education fees		61,600
18	Insurance licensing and regulation fees		1,849,600
19	MBLSLA fund		705,500
20	Multiple employer welfare arrangement		1,100
21	State general fund/general purpose	\$	0
22	Sec. 103. INSURANCE AND FINANCIAL SERVICES		
23	REGULATION		
24	Full-time equated classified positions	348.0	
25	Consumer services and protection--FTEs	96.0	\$ 15,355,600
26	Financial institutions evaluation--FTEs	130.0	24,224,900
27	Insurance evaluation--FTEs	122.0	24,962,600
28	GROSS APPROPRIATION	\$	64,543,100



1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from MDLARA, for debt management	620,300
4	Federal revenues:	
5	Federal revenues	250,000
6	Special revenue funds:	
7	Bank fees	6,535,600
8	Captive insurance regulatory and supervision	
9	fund	767,600
10	Consumer finance fees	2,700,800
11	Credit union fees	8,317,900
12	Deferred presentment service transaction fees	2,241,800
13	Insurance bureau fund	24,533,500
14	Insurance continuing education fees	972,900
15	Insurance licensing and regulation fees	11,072,100
16	MBLSLA fund	6,443,700
17	Multiple employer welfare arrangement	86,900
18	State general fund/general purpose	\$ 0
19	Sec. 104. INFORMATION TECHNOLOGY	
20	Information technology services and projects	\$ 2,013,700
21	GROSS APPROPRIATION	\$ 2,013,700
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	IDG from MDLARA, for debt management	21,400
25	Special revenue funds:	
26	Bank fees	125,200
27	Captive insurance regulatory and supervision	
28	fund	11,600



1	Consumer finance fees	62,300
2	Credit union fees	211,600
3	Deferred presentment service transaction fees	42,500
4	Insurance bureau fund	396,400
5	Insurance continuing education fees	7,700
6	Insurance licensing and regulation fees	971,900
7	MBLSLA fund	163,100
8	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 \$72,452,500.00 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



1 under section 8 of the mortgage brokers, lenders, and servicers
2 licensing act, 1987 PA 173, MCL 445.1658.

3 (f) "MDLARA" means the Michigan department of licensing and
4 regulatory affairs.

5 (g) "Standard report recipients" means the senate and house
6 appropriations subcommittees on licensing and regulatory affairs
7 and insurance and financial services, the senate and house fiscal
8 agencies, the senate and house policy offices, and the state budget
9 office.

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

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

18 (a) The funds must not be used for the purchase of foreign
19 goods or services, or both, if competitively priced and of
20 comparable quality American goods or services, or both, are
21 available.

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

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

29 Sec. 206. The department shall not take disciplinary action



1 against an employee of the department because the employee
2 communicates with a member of the legislature or legislative staff
3 unless the communication is prohibited by law and the department is
4 exercising its authority as provided by law.

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

15 (a) The dates of each travel occurrence.

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

21 Sec. 208. Not later than December 15, the state budget office
22 shall prepare and submit a report that provides estimates of the
23 total general fund/general purpose appropriation lapses at the
24 close of the previous fiscal year. The report must summarize the
25 projected year-end general fund/general purpose appropriation
26 lapses by major departmental program or program area. The state
27 budget office shall submit the report to the standard report
28 recipients and to the chairpersons of the senate and house
29 appropriations committees.



1 Sec. 209. (1) In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$200,000.00 for
3 federal contingency authorization. Amounts appropriated are not
4 available for expenditure until they have been transferred to
5 another line item in part 1 under section 393(2) of the management
6 and budget act, 1984 PA 431, MCL 18.1393.

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

13 Sec. 210. (1) The department shall cooperate with the
14 department of technology, management, and budget to maintain a
15 searchable website accessible by the public at no cost that
16 includes, but is not limited to, all of the following for the
17 department:

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

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

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

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

26 Sec. 211. Not later than 14 days after the release of the
27 executive budget recommendation, the department shall cooperate
28 with the state budget office to provide an annual report on
29 estimated state restricted fund balances, state restricted fund



1 projected revenues, and state restricted fund expenditures for the
2 previous 2 fiscal years. The report must be submitted to the
3 standard report recipients and to the chairpersons of the senate
4 and house appropriations committees.

5 Sec. 212. On a quarterly basis, the department shall report on
6 the number of full-time equated positions in pay status by civil
7 service classification, including a comparison by line item of the
8 number of full-time equated positions authorized from funds
9 appropriated in part 1 to the actual number of full-time equated
10 positions employed by the department at the end of the reporting
11 period. The report must be submitted to the standard report
12 recipients and to the senate and house appropriations committees.

13 Sec. 213. To the extent possible, the department shall not
14 expend appropriations under part 1 until all existing authorized
15 work project funds available for the same purposes are exhausted.

16 Sec. 214. The department shall receive and retain copies of
17 all reports funded from appropriations in part 1. The department
18 shall follow federal and state law and guidelines for short-term
19 and long-term retention of records. The department may
20 electronically retain copies of reports unless otherwise required
21 by federal and state guidelines.

22 Sec. 215. Not later than April 1, the department shall report
23 on each specific policy change made to implement a public act
24 affecting the department that took effect during the previous
25 calendar year. The report must include reference to the public act
26 that necessitates the policy change. The department shall submit
27 the report to the standard report recipients, to the senate and
28 house appropriations committees, and to the joint committee on
29 administrative rules.



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

7 Sec. 217. (1) From the funds appropriated in part 1, the
8 department shall do the following:

9 (a) Report to the standard report recipients and to the senate
10 and house appropriations committees any amounts of severance pay
11 for a department director, deputy director, or other high-ranking
12 department official not later than 14 days after a severance
13 agreement with the director, deputy director, or official is
14 signed. The name of the director, deputy director, or official and
15 the amount of severance pay must be included in the report required
16 by this subdivision.

17 (b) Not later than February 1, report on the total amount of
18 severance pay remitted to former department employees during the
19 prior fiscal year and the total number of former department
20 employees that were remitted severance pay during the prior fiscal
21 year.

22 (2) As used in this section, "severance pay" means
23 compensation to which both of the following apply:

24 (a) The compensation is payable or paid upon the termination
25 of employment.

26 (b) The compensation is paid in addition to wages or benefits
27 earned during the course of employment or generally applicable
28 retirement benefits.

29 Sec. 218. (1) The department shall maximize the efficiency of



1 the state workforce. The department shall prioritize employees
2 working in-person 5 days per week for each division within the
3 department. Employees with job responsibilities that require the
4 employees to serve in their capacities outside of the office must
5 report to the office before beginning field work. Field service
6 employees include, but are not limited to, protective services
7 workers, parole and probation officers, conservation officers,
8 state troopers assigned to road patrol, inspectors, and
9 construction and trade workers.

10 (2) The department shall establish a policy and process for
11 verifying that all employees are working their jobs during normal
12 business hours.

13 (3) The department shall provide information on employee badge
14 scanning when requested by a member of the legislature.

15 Sec. 219. (1) Funds appropriated in part 1 that are used for
16 grants or grant programs are subject to the following conditions:

17 (a) Grant funds are to be provided only to an entity that has
18 been established or is operating in this state or another state for
19 at least 36 months before approval or disbursement of grant funds.

20 (b) Grant funds are to be provided only to an entity that has
21 had an office within this state or in the service area covered
22 under the grant for at least 12 months before approval or
23 disbursement of grant funds.

24 (c) Before awarding or disbursing grant funds, all grant
25 recipients must provide a spending plan that specifies the scope of
26 service, the program goals, the measurement for meeting program
27 goals, and how all grant funds will be used, and must indicate if
28 any grant funds will be provided to a third party or subrecipient.

29 (d) Up to 20% of grant funds may be spent on administrative



1 costs and salaries. Up to 10% is authorized for contingencies.

2 (e) Each department or agency responsible for awarding or
3 disbursing grant funds must annually audit the entity's use of the
4 grant funds for each fiscal year in which the grant is active. Each
5 entity must submit information requested by the department to
6 confirm compliance.

7 (f) Each department and agency shall work with the office of
8 the auditor general to conduct an audit of the grant according to
9 generally accepted accounting practices and audit standards. The
10 office of the auditor general must be given access to all internal
11 and external records. All contracts or agreements between a
12 department or agency and a grant recipient or between a grant
13 recipient and a third party must include a clause granting the
14 office of the auditor general access to all internal and external
15 records.

16 (g) Grant recipients and their immediate family members are
17 prohibited from being employed by the executive branch or
18 legislative branch of this state. In addition, grant recipients are
19 prohibited from serving on any state board that has direct or
20 indirect responsibility for approving or auditing grant funds
21 awarded or disbursed by any department or agency.

22 (h) Full and complete audits of grant funds issued by the
23 department or an agency of this state, without redaction unless
24 required by law, must be posted to the department's website in a
25 conspicuous place for public review.

26 (2) On a quarterly basis, the department shall submit a report
27 to the standard report recipients on legislatively sponsored grant
28 funds that includes, but is not limited to, all of the following:

29 (a) The name of each grant recipient and the status of each



1 grant.

2 (b) The amount distributed to each grant recipient.

3 (c) The remaining amount to be distributed to each grant
4 recipient.

5 (d) Any changes to scope or costs of program.

6 (3) The report under subsection (2) must include the following
7 statements made by the department:

8 (a) A statement that confirms that the department reviewed and
9 affirmed compliance by each grant recipient to program scope and
10 expenditure of grant funding.

11 (b) A statement that confirms that the department reviewed
12 applicable program reports and requests for reimbursement.

13 Sec. 220. (1) The department shall require as a condition of
14 each contract or subcontract that the prequalified contractor or
15 prequalified subcontractor agree to use the E-Verify system to
16 verify that all persons hired during the contract term by the
17 contractor or subcontractor are legally present and authorized to
18 work in the United States.

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

25 (3) The department shall not contract with any foreign
26 entities that are known or suspected to be enemies of the United
27 States or known foreign adversaries. Foreign adversaries include
28 all of the following:

29 (a) The People's Republic of China.



1 (b) The Russian Federation.

2 (c) The Islamic Republic of Iran.

3 (d) The Democratic People's Republic of Korea.

4 (e) The Republic of Cuba.

5 (f) The Venezuelan regime of Nicolás Maduro.

6 (g) The Syrian Arab Republic.

7 (h) An agency or other entity under significant control of a
8 country described in subdivisions (a) to (g).

9 (4) As used in this section, "E-Verify" means an internet-
10 based system operated by the Department of Homeland Security, U.S.
11 Citizenship and Immigration Services in partnership with the Social
12 Security Administration.

13 Sec. 221. Funds appropriated in part 1 from state or federal
14 sources are prohibited from being used to provide services, grants,
15 or programming to an individual who is not a citizen of the United
16 States, unless the individual is a qualified alien as that term is
17 defined in 8 USC section 1641. This section does not prohibit the
18 department, political subdivision, state university, or other state
19 agency from expending funds for the purpose of detaining
20 individuals who are not citizens of the United States, including
21 any costs associated with housing such individuals in county jails
22 or state correctional facilities.

23 Sec. 222. The department shall submit a quarterly report that
24 summarizes all work project accounts. The report must include all
25 of the following:

26 (a) A list of all work project accounts.

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



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

5 Sec. 223. Total authorized appropriations from all sources
6 under part 1 for legacy costs for the fiscal year ending September
7 30, 2026 are estimated at \$6,514,000.00. From this amount, total
8 appropriations for pension-related legacy costs for the department
9 are estimated at \$5,875,200.00. Total appropriations for retiree
10 health care legacy costs for the department are estimated at
11 \$638,800.00.

12 Sec. 224. (1) The department shall maintain, on a publicly
13 accessible website, a department scorecard that identifies, tracks,
14 and updates on a quarterly basis key metrics that are used to
15 monitor and improve the department's performance.

16 (2) The department shall notify the standard report recipients
17 when the quarterly updates to the department scorecard are
18 available on a publicly accessible website.

19 Sec. 225. (1) Unless specifically authorized elsewhere in this
20 part or part 1, funds appropriated in part 1 must not be used to
21 pay for a state obligation that exceeds \$200,000.00 for a court-
22 approved judgment, settlement, award, or claim without prior
23 legislative approval.

24 (2) If a state obligation for a court-approved judgment,
25 settlement, award, or claim results in a change from current
26 statute, the department shall notify the legislature.

27 (3) This section does not apply to compensation and other
28 relief to individuals wrongfully imprisoned as required under the
29 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751



1 to 691.1757.

2 Sec. 226. Not later than November 15, the department shall
3 disclose on a publicly accessible website private and other third-
4 party funds received by the department in the previous fiscal year.
5 The report must include the amount of funding received, the
6 specific source of funding received, the purpose for which funding
7 was expended, and the amount of any remaining funds. The report
8 must be submitted to the standard report recipients and to the
9 chairpersons of the senate and house appropriations committees.

10 Sec. 227. State funds must not be used for diversity, equity,
11 and inclusion, or DEI, initiatives or programs, including
12 initiatives or programs outlined in Exec. Order No. 14151, 90 Fed.
13 Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government
14 DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg.
15 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology
16 Extremism and Restoring Biological Truth to the Federal
17 Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31,
18 2025) "Ending Illegal Discrimination and Restoring Merit-Based
19 Opportunity".

20 Sec. 228. Unless prohibited by law, the department may accept
21 credit card or other electronic means of payment for licenses,
22 fees, or permits.

23 Sec. 229. Funds appropriated in part 1 shall not be expended
24 to support any legislative participation in insurance activities
25 coordinated by insurance and legislative associations.

26 Sec. 230. The department shall submit a report to the standard
27 report recipients by September 30 detailing any expenditure of
28 funds for a television or radio production that was made to a
29 third-party vendor in the fiscal year ending September 30, 2026.



1 The report must include all of the following information for each
2 expenditure:

3 (a) Total amount of the expenditure.

4 (b) Fund source for the expenditure.

5 (c) Name of any vendor that created the production and the
6 amount paid to each vendor.

7 (d) Purpose of the production.

8 Sec. 231. The department shall allow the chairs, majority vice
9 chairs, and minority vice chairs of the senate and house
10 appropriations committees and the chairs, majority vice chairs, and
11 minority vice chairs of the senate and house subcommittees on
12 licensing and regulatory affairs and insurance and financial
13 services access to all facilities managed by the department at any
14 time Monday through Friday, 8 a.m. to 5 p.m.

15
16 **INSURANCE AND FINANCIAL SERVICES REGULATION**

17 Sec. 301. The department shall provide a report to the
18 standard report recipients by September 30 based on the annual rate
19 filings from health insurance issuers that includes all of the
20 following:

21 (a) The number that are approved by the department.

22 (b) The number that are denied by the department.

23 (c) The percentage of rate filings processed within the
24 applicable statutory time frames.

25 (d) The average number of calendar days to process rate
26 filings.

27 Sec. 302. In addition to the funds appropriated in part 1, the
28 funds collected by the department in connection with a
29 conservatorship under section 32 of the mortgage brokers, lenders,



1 and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds
2 collected by the department from corporations being liquidated
3 under the insurance code of 1956, 1956 PA 218, MCL 500.100 to
4 500.8302, must be appropriated for all expenses necessary to
5 provide for the required services. Funds are available for
6 expenditure when they are received by the department of treasury
7 and must not lapse to the general fund at the end of the fiscal
8 year. The total amount appropriated under this section and section
9 303 must not exceed \$400,000.00.

10 Sec. 303. The department may make available to interested
11 entities customized listings of nonconfidential information in its
12 possession. The department may establish and collect a reasonable
13 charge to provide this service. The revenue from this service is
14 appropriated when received and must be used to offset expenses to
15 provide the service. Any balance of this revenue collected and
16 unexpended at the end of the fiscal year must lapse to the
17 appropriate restricted fund. The total amount appropriated under
18 this section and section 302 must not exceed \$400,000.00.

19 Sec. 304. The department must electronically transmit the
20 annual report prepared under section 238 of the insurance code of
21 1956, 1956 PA 218, MCL 500.238, and section 2108 of the banking
22 code of 1999, 1999 PA 276, MCL 487.12108, to the standard report
23 recipients at the time of the publication of the report.

24 Sec. 305. The department shall update examination manuals and
25 letters of guidance to state-chartered financial institutions as
26 necessary to reflect how the department will evaluate institutions
27 that provide banking or other financial services to marihuana-
28 related businesses or businesses that transport, test, grow,
29 process, or sell marihuana, based on state statute and guidance.



1 The department may also include guidance or information on how
2 federal law and regulations may impact state-chartered
3 institutions.

4 Sec. 306. From any federal funds received by the department
5 for the establishment of a state or regional health care claims
6 database, the department shall consider all of the following
7 qualifications for potential entities when awarding any grant for
8 the creation of the database:

9 (a) Status as a not-for-profit Michigan-based organization or
10 partnership.

11 (b) Prior experience collecting and analyzing health care
12 data, preferably claims data or similar datasets.

13 (c) Prior experience working with researchers on health care
14 outcomes and utilization.

15 (d) Prior experience working with public health officials on
16 public health outcomes and utilization.

17 (e) Prior experience collecting and analyzing data related to
18 health care pricing.

19 (f) Ability of organization to provide data that could enhance
20 the value of a database, such as health outcomes, health status,
21 and analysis of care delivery models.

22
23 ARTICLE 8

24 JUDICIARY

25 PART 1

26 LINE-ITEM APPROPRIATIONS

27 Sec. 101. There is appropriated for the judiciary for the
28 fiscal year ending September 30, 2026, from the following funds:

29 **JUDICIARY**



1	APPROPRIATION SUMMARY		
2	Full-time equated exempted positions	641.5	
3	GROSS APPROPRIATION		\$ 344,145,500
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and		
6	intradepartmental transfers		1,902,300
7	ADJUSTED GROSS APPROPRIATION		\$ 342,243,200
8	Federal revenues:		
9	Total federal revenues		7,154,900
10	Special revenue funds:		
11	Total local revenues		5,500,000
12	Total private revenues		1,906,100
13	Total other state restricted revenues		94,844,700
14	State general fund/general purpose		\$ 232,837,500
15	Sec. 102. SUPREME COURT		
16	Full-time equated exempted positions	304.0	
17	Community dispute resolution--FTEs	3.0	\$ 2,885,100
18	Drug treatment courts--FTEs	2.0	12,464,400
19	Foster care review board--FTEs	10.0	1,133,400
20	Judicial information systems--FTEs	91.0	5,903,400
21	Judicial institute--FTEs	17.0	2,386,100
22	Mental health courts and diversion services--		
23	FTE	1.0	5,413,200
24	Other federal grants		275,100
25	Prescription compliance through oral fluid		
26	testing program		1,000,000
27	State court administrative office--FTEs	83.0	13,090,700
28	Supreme court administration--FTEs	97.0	13,260,700



1	Veterans courts	911,200
2	GROSS APPROPRIATION	\$ 58,723,300
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from department of corrections	52,300
6	IDG from department of state police	1,500,000
7	IDG from department of state police, Michigan	
8	justice training fund	100,000
9	Federal revenues:	
10	DOJ, drug court training and evaluation	300,000
11	DOT, National Highway Traffic Safety	
12	Administration	2,258,700
13	Federal funds	275,100
14	HHS, access and visitation grant	505,000
15	HHS, children's justice grant	256,000
16	HHS, court improvement project	993,700
17	HHS, safe access for victims economic security	
18	grant	420,000
19	HHS, state opioid response grant	352,200
20	HHS, title IV-D child support program	885,200
21	HHS, title IV-E foster care program	326,500
22	Special revenue funds:	
23	Local user fees	5,500,000
24	Interest on lawyers trust accounts	407,600
25	Private funds	501,100
26	State justice institute	529,000
27	Community dispute resolution fund	2,421,200
28	Drug treatment court fund	1,920,500



1	Justice system fund		639,600
2	Law exam fees		786,000
3	Miscellaneous revenue		161,800
4	State court fund		418,900
5	State general fund/general purpose	\$	37,212,900
6	Sec. 103. COURT OF APPEALS		
7	Full-time equated exempted positions	179.0	
8	Court of appeals operations--FTEs	179.0	\$ 26,014,200
9	GROSS APPROPRIATION	\$	26,014,200
10	Appropriated from:		
11	State general fund/general purpose	\$	26,014,200
12	Sec. 104. BRANCHWIDE APPROPRIATIONS		
13	Full-time equated exempted positions	6.0	
14	Branchwide appropriations--FTEs	6.0	\$ 10,537,900
15	GROSS APPROPRIATION	\$	10,537,900
16	Appropriated from:		
17	State general fund/general purpose	\$	10,537,900
18	Sec. 105. JUSTICES' AND JUDGES' COMPENSATION		
19	Judges positions--591.0 justices and judges		
20	Supreme court justices' salaries--7.0 justices	\$	1,270,500
21	Circuit court judges' state base salaries--		
22	223.0 judges		30,721,500
23	Circuit court judicial salary standardization		10,196,800
24	Court of appeals judges' salaries--25.0 judges		4,964,100
25	District court judges' state base salaries--		
26	232.0 judges		31,954,200
27	District court judicial salary standardization		10,608,600



1	Probate court judges' state base salaries--		
2	104.0 judges		14,207,200
3	Probate court judicial salary standardization		4,715,300
4	Judges' retirement system defined contributions		9,124,100
5	OASI, Social Security		8,159,200
6	GROSS APPROPRIATION	\$	125,921,500
7	Appropriated from:		
8	Special revenue funds:		
9	Court fee fund		2,989,900
10	State general fund/general purpose	\$	122,931,600
11	Sec. 106. JUDICIAL AGENCIES		
12	Full-time equated exempted positions	14.0	
13	Judicial tenure commission--FTEs	14.0	\$ 2,676,200
14	GROSS APPROPRIATION	\$	2,676,200
15	Appropriated from:		
16	State general fund/general purpose	\$	2,676,200
17	Sec. 107. INDIGENT DEFENSE - CRIMINAL		
18	Full-time equated exempted positions	112.5	
19	Appellate public defender program--FTEs	94.0	\$ 16,389,000
20	Juvenile life resentencing--FTEs	18.5	4,965,200
21	Michigan appellate assigned counsel system		
22	roster attorney compensation grants		3,208,100
23	GROSS APPROPRIATION	\$	24,562,300
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	IDG from department of state police		250,000
27	Federal revenues:		
28	Federal funds		582,500



1	Special revenue funds:		
2	Interest on lawyers trust accounts		88,400
3	Michigan justice fund		380,000
4	Miscellaneous revenue		172,400
5	State general fund/general purpose	\$	23,089,000
6	Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE		
7	Indigent civil legal assistance	\$	7,937,000
8	GROSS APPROPRIATION	\$	7,937,000
9	Appropriated from:		
10	Special revenue funds:		
11	State court fund		7,937,000
12	State general fund/general purpose	\$	0
13	Sec. 109. TRIAL COURT OPERATIONS		
14	Full-time equated exempted positions	26.0	
15	Court equity fund reimbursements	\$	60,815,700
16	Drug case-flow program		250,000
17	Drunk driving case-flow program		3,300,000
18	Judicial technology improvement fund		4,815,000
19	Juror compensation reimbursement--FTE	1.0	6,614,900
20	Statewide e-file system--FTEs	25.0	11,977,500
21	GROSS APPROPRIATION	\$	87,773,100
22	Appropriated from:		
23	Special revenue funds:		
24	Court equity fund		50,440,000
25	Drug case information management fund		250,000
26	Drunk driving case-flow assistance fund		3,300,000
27	Judicial electronic filing fund		11,977,500
28	Judicial technology improvement fund		4,815,000



Juror compensation fund	6,614,900
State general fund/general purpose	\$ 10,375,700

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 \$327,682,200.00 and total state spending under part 1 from state sources to be paid to local units of government is \$146,009,700.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

JUDICIARY**SUPREME COURT**

Drug treatment courts	\$ 9,524,900
Mental health courts and diversion services	5,413,200
Prescription compliance through oral fluid testing program	1,000,000
State court administrative office	200,000
Veterans courts	911,200

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	14,207,200
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		6,614,900
Statewide e-file system		11,977,500
TOTAL	\$	146,009,700

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) "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.



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

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

9 (a) The funds must not be used for the purchase of foreign
10 goods or services, or both, if competitively priced and of
11 comparable quality American goods or services, or both, are
12 available.

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

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

20 Sec. 206. The state court administrative office shall prepare
21 a report on out-of-state travel expenses not later than January 1.
22 The report must list all travel outside this state by judicial
23 branch employees in the previous fiscal year that was funded in
24 whole or in part with funds appropriated in the judicial branch's
25 budget. The state court administrative office shall submit the
26 report to the standard report recipients and to the senate and
27 house appropriations committees. The report must include all of the
28 following information:

29 (a) The dates of each travel occurrence.



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

6 Sec. 207. Not later than December 15, the judicial branch
7 shall cooperate with the state budget office to prepare and submit
8 a report that provides estimates of the total general fund/general
9 purpose appropriation lapses at the close of the previous fiscal
10 year. The report must summarize the projected year-end general
11 fund/general purpose appropriation lapses by major judicial program
12 or program area. The state budget office shall submit the report to
13 the standard report recipients and to the chairpersons of the
14 senate and house appropriations committees.

15 Sec. 208. From the funds appropriated in part 1, the judicial
16 branch shall maintain a searchable website accessible by the public
17 at no cost that posts all of the expenditures made by the judicial
18 branch within a fiscal year. A post must include the purpose for
19 the expenditure. The searchable website shall be updated on a
20 quarterly basis. The judicial branch shall not provide financial
21 information on the public website that would violate a federal or
22 state law, rule, regulation, or guideline that establishes privacy
23 or security standards applicable to that financial information.

24 Sec. 209. Not later than 14 days after the release of the
25 executive budget recommendation, the judicial branch shall
26 cooperate with the state budget office to provide an annual report
27 on estimated state restricted fund balances, state restricted fund
28 projected revenues, and state restricted fund expenditures for the
29 previous 2 fiscal years. The report must be submitted to the



1 standard report recipients and to the chairpersons of the senate
2 and house appropriations committees.

3 Sec. 210. Total authorized appropriations from all sources
4 under part 1 for legacy costs for the fiscal year ending September
5 30, 2026 are estimated at \$12,043,600.00 for the judicial branch.
6 From this amount, total appropriations for pension-related legacy
7 costs for the judicial branch are estimated at \$10,862,600.00.
8 Total appropriations for retiree health care legacy costs for the
9 judicial branch are estimated at \$1,181,000.00.

10 Sec. 211. The judicial branch shall not take disciplinary
11 action against an employee of the judicial branch because the
12 employee communicates with a member of the legislature or
13 legislative staff unless the communication is prohibited by law and
14 the judicial branch is exercising its authority as provided by law.

15 Sec. 212. The judicial branch shall receive and retain copies
16 of all reports funded from appropriations in part 1. The judicial
17 branch shall follow federal and state law and guidelines for short-
18 term and long-term retention of records. The judicial branch may
19 electronically retain copies of reports unless otherwise required
20 by federal and state guidelines.

21 Sec. 213. (1) Funds appropriated in part 1 to an entity in the
22 judicial branch must not be expended or transferred to another
23 account without written approval of the authorized agent of the
24 judicial entity. If the authorized agent of the judicial entity
25 notifies the state budget director of its approval of an
26 expenditure or transfer, the state budget director shall
27 immediately make the expenditure or transfer. The authorized
28 judicial entity agent shall be designated by the chief justice of
29 the supreme court.



1 (2) Funds appropriated to the judicial branch must not be
2 expended by a component in the judicial branch without the approval
3 of the supreme court.

4 Sec. 214. To the extent possible, the judicial branch shall
5 not expend appropriations under part 1 until all existing
6 authorized work project funds available for the same purposes are
7 exhausted.

8 Sec. 215. The judicial branch shall submit a quarterly report
9 that summarizes all work project accounts. The report must include
10 all of the following:

11 (a) A list of all work project accounts.

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

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

19 Sec. 216. (1) The judicial branch shall maintain, on a
20 publicly accessible website, a scorecard that identifies, tracks,
21 and updates on a quarterly basis key metrics that are used to
22 monitor and improve the judicial branch's performance.

23 (2) The judicial branch shall notify the standard report
24 recipients when the quarterly updates to the scorecard are
25 available on a publicly accessible website.

26 Sec. 217. Not later than November 15, the judicial branch
27 shall disclose on a publicly accessible website private and other
28 third-party funds received by the judicial branch in the previous
29 fiscal year. The report must include the amount of funding



1 received, the specific source of funding received, the purpose for
2 which funding was expended, and the amount of any remaining funds.
3 The report must be submitted to the standard report recipients and
4 to the chairpersons of the senate and house appropriations
5 committees.

6 Sec. 218. Not later than October 1, 2025, the state court
7 administrative office shall cooperate with the department of
8 technology, management, and budget, to authorize access by the
9 senate and house fiscal agencies to financial information for the
10 judicial branch that is contained within statewide integrated
11 governmental management applications.
12

13 **JUDICIAL BRANCH**

14 Sec. 301. From the funds appropriated in part 1 for the
15 judicial branch, \$711,900.00 is allocated for circuit court
16 reimbursement under section 3 of 1978 PA 16, MCL 800.453, and for
17 costs associated with the court of claims.

18 Sec. 302. A member of the legislature may request a report or
19 data from the data collected in the judicial data warehouse. The
20 report must be made available to the public upon request, unless
21 disclosure is prohibited by court order or state or federal law. If
22 data is provided under this section, the data must be public and
23 nonidentifying information, as determined by the state court
24 administrative office. As used in this section, "nonidentifying
25 information" means information that does not include personal
26 information that, if released, would be considered invasion of
27 privacy.

28 Sec. 303. From the funds appropriated in part 1 for community
29 dispute resolution, community dispute resolution centers shall



1 provide dispute resolution services specified in the community
2 dispute resolution act, 1988 PA 260, MCL 691.1551 to 691.1564, help
3 reduce suspensions and truancy, and improve school environment. The
4 funds appropriated in part 1 for community dispute resolution may
5 be used to develop or expand juvenile diversion services in
6 coordination with local prosecutors.

7 Sec. 304. From the funds appropriated in part 1 for mental
8 health courts and diversion services, \$1,730,000.00 is intended to
9 address the recommendations of the mental health diversion council.

10 Sec. 305. If funds in the court fee fund are insufficient to
11 pay judges' compensation, the difference between the appropriated
12 amount from that fund for judges' compensation and the actual
13 amount available after the amount appropriated for trial court
14 reimbursement is made is appropriated from the state general fund
15 for judges' compensation. If an appropriation from the state
16 general fund is necessary under this section, not later than 14
17 days after the appropriation, the state court administrative office
18 shall submit a report to the standard report recipients and the
19 senate and house appropriations committees.

20 Sec. 306. From the funds appropriated in part 1, the state
21 court administrative office shall submit a report on drug
22 treatment, mental health, and veterans court programs in this state
23 not later than March 1. The report must include all of the
24 following information for each individual court, by program:

- 25 (a) The number of each type of program.
26 (b) The number of program participants.
27 (c) The impact of the programs on offender criminal
28 involvement and recidivism.
29 (d) An accounting of previous fiscal year expenditures,



1 including grant amounts requested, grant amounts awarded, and grant
2 amounts expended.

3 Sec. 307. (1) The funds appropriated in part 1 for drug
4 treatment courts must be administered by the state court
5 administrative office to operate drug treatment court programs. A
6 drug treatment court shall use all available county and state
7 personnel involved in the disposition of cases, including, but not
8 limited to, parole and probation agents, prosecuting attorneys,
9 defense attorneys, and community corrections providers. The funds
10 may be used in connection with other federal, state, and local
11 funding sources.

12 (2) From the funds appropriated in part 1, the chief justice
13 shall allocate sufficient funds for the Michigan judicial institute
14 to provide in-state training for those identified in subsection (1)
15 and new drug treatment court judges.

16 (3) The state court administrative office may prioritize
17 funding for courts that have a higher number of filed substance use
18 disorder cases.

19 (4) To assist the department of corrections and avoid prison
20 bed space growth for nonviolent offenders, the judicial branch
21 shall receive \$1,500,000.00 in Byrne formula grant funding through
22 an interdepartmental grant from the department of state police to
23 be used to support drug treatment court costs consistent with Byrne
24 grant program criteria.

25 Sec. 308. From the funds appropriated in part 1 for
26 prescription compliance through oral fluid testing program, the
27 state court administrative office shall allocate \$1,000,000.00 to
28 continue the prescription compliance through oral fluid testing
29 program in veterans treatment courts, mental health treatment



1 courts, and drug treatment courts to determine compliance with
2 requirements set by the treatment court. The state court
3 administrative office shall submit a report on the program not
4 later than March 1. The report must include, but is not limited to,
5 information on the number of programs existing and new programs
6 established, the number of program participants in each
7 jurisdiction, the number of tests completed, program testing and
8 results, program treatment, and program outcomes, including the
9 rearrest rate of participants in the program and the benefit to
10 this state of using oral fluid testing.

11 Sec. 309. (1) The Michigan legislature recognizes the status
12 of the Michigan judicial branch as a separate, independent branch
13 of state government, as prescribed by section 2 of article III of
14 the state constitution of 1963.

15 (2) The Michigan judicial branch recognizes the constitutional
16 obligation of the Michigan legislature to oversee state funding and
17 the state's appropriations process. As prescribed by section 23 of
18 article IX of the state constitution of 1963, all financial
19 records, accountings, audit reports and other reports of public
20 moneys shall be public records and open to inspection. A statement
21 of all revenues and expenditures of public moneys shall be
22 published and distributed annually, as provided by law.

23 Sec. 310. From the funds appropriated in part 1, the state
24 court administrative office shall submit a statistical report
25 regarding implementation of the parental rights restoration act,
26 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors
27 seeking court-issued waivers of parental consent. The state court
28 administrative office shall report the total number of petitions
29 filed and the total number of petitions granted under the act.



1 Sec. 311. From the funds appropriated in part 1, the judicial
2 branch shall support a statewide legal self-help internet website
3 and local nonprofit self-help centers that use the statewide
4 website to provide assistance to individuals who represent
5 themselves in civil legal proceedings. The state court
6 administrative office shall summarize the costs to maintain the
7 website, provide statistics on the number of individuals who visit
8 the website, and provide information on content usage, form
9 completion, and user feedback not later than March 1 for the
10 previous fiscal year.

11 Sec. 312. From the funds appropriated in part 1, the state
12 court administrative office shall submit a report on the statewide
13 judicial case management system not later than March 1. The report
14 must provide a status update on development and implementation of
15 the statewide judicial case management system and must include all
16 appropriation and expenditure data for all previous and the current
17 fiscal years.

18 Sec. 313. (1) The state court administrative office shall not
19 impose local user fees or collect local user fees from trial courts
20 that have fully migrated to the statewide judicial case management
21 system.

22 (2) The state court administrative office shall impose local
23 user fees and collect local user fees from trial courts that have
24 not fully migrated to the statewide judicial case management
25 system.

26 Sec. 314. (1) If Byrne formula grant funding is awarded to the
27 state appellate defender office in excess of the amount
28 appropriated in part 1, the state appellate defender office may
29 receive and expend not more than \$250,000.00 of Byrne formula grant



1 funds as an interdepartmental grant from the department of state
2 police.

3 (2) If the state appellate defender office receives federal
4 grant funding from the United States Department of Justice in
5 excess of the amount appropriated in part 1, the state appellate
6 defender office may receive and expend not more than \$300,000.00 in
7 federal grant funds.

8 Sec. 315. (1) From the funds appropriated in part 1 for drug
9 treatment courts, the judicial branch shall maintain a medication-
10 assisted treatment program to provide treatment for opioid-addicted
11 and alcohol-addicted individuals who are referred to and
12 voluntarily participate in the medication-assisted treatment
13 program.

14 (2) Not later than March 1, the judicial branch shall report
15 on the medication-assisted treatment program. The report must
16 include itemized spending by court, the number of participants, and
17 statistics that indicate average program participation duration and
18 success rates.

19 Sec. 316. From the funds appropriated in part 1 for supreme
20 court administration, the supreme court shall allocate \$167,400.00
21 to support costs of an editor position for the office of reporter
22 of decisions. The editor shall work to reduce the court of appeals
23 backlog of opinions that are awaiting review and editing.

24 Sec. 317. (1) From the funds appropriated in part 1, the state
25 appellate defender office shall operate the program to ensure this
26 state's compliance with *Montgomery v Louisiana*, 577 US 190 (2016),
27 *People v Parks*, 510 Mich 225 (2022), *People v Stovall*, 510 Mich 301
28 (2022), *People v Poole*, ___ Mich ___ (2025), *People v Czarnecki*,
29 ___ Mich ___ (2025), and *People v Taylor*, ___ Mich ___ (2025). The



1 purpose of the program is to ensure competent, resourced, and
2 supervised counsel in cases that involve resentencing individuals
3 who are serving a life sentence for an offense committed when the
4 individuals were 20 years of age or younger.

5 (2) The state appellate defender office shall submit a report
6 not later than March 1 on the number of cases investigated and
7 prepared by the state appellate defender office under subsection
8 (1). The report must include a calculation of the hours spent and
9 the incremental costs associated with the investigation and robust
10 examination of each case.

11 Sec. 318. From the funds appropriated in part 1 for juvenile
12 life resentencing, \$2,049,000.00 shall be funded utilizing
13 unexpended and unencumbered funds appropriated for the Michigan
14 indigent defense commission in 2021 PA 87, 2022 PA 166, 2023 PA
15 119, and 2024 PA 121 that were designated as work project
16 appropriations and subsequently lapsed to the general fund.

17 Sec. 319. (1) The funds appropriated in part 1 for Michigan
18 appellate assigned counsel system roster attorney compensation
19 grants must be deposited into the restricted Michigan appellate
20 assigned counsel system attorney compensation fund created in
21 subsection (2).

22 (2) The Michigan appellate assigned counsel system attorney
23 compensation fund is created in the state treasury. The state
24 treasurer may receive money or other assets from any source for
25 deposit into the fund. The state treasurer shall direct the
26 investment of the fund and credit to the fund interest and earnings
27 from fund investments. Unexpended funds at the close of the fiscal
28 year must remain in the fund and shall not lapse to the general
29 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.

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	2,499.0
--	---------

GROSS APPROPRIATION	\$ 1,291,620,800
----------------------------	-------------------------

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	0
--	---

ADJUSTED GROSS APPROPRIATION	\$ 1,291,620,800
-------------------------------------	-------------------------

Federal revenues:

Total federal revenues	805,103,500
------------------------	-------------

Special revenue funds:

Total local revenues	5,750,000
----------------------	-----------

Total private revenues	6,301,400
------------------------	-----------



1	Total other state restricted revenues		229,307,300
2	State general fund/general purpose	\$	245,158,600
3	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
4	SUPPORT		
5	Full-time equated unclassified positions	34.5	
6	Full-time equated classified positions	60.0	
7	Unclassified salaries--FTEs	34.5	\$ 4,739,900
8	Executive direction and operations--FTEs	60.0	7,785,000
9	Property management		6,012,200
10	GROSS APPROPRIATION	\$	18,537,100
11	Appropriated from:		
12	Federal revenues:		
13	DED, vocational rehabilitation and independent		
14	living		3,253,000
15	DOL, federal funds		3,231,200
16	DOL-ETA, unemployment insurance		2,594,000
17	DOL - occupational safety and health		558,700
18	Federal funds		500,000
19	Special revenue funds:		
20	Asbestos abatement fund		50,700
21	Corporation fees		1,878,000
22	Michigan state housing development authority		
23	fees and charges		384,000
24	Private occupational school license fees		36,100
25	Radiological health fees		229,700
26	Safety education and training fund		740,100
27	Second injury fund		245,800
28	Securities fees		1,996,500



1	Self-insurers security fund		150,000
2	Silicosis and dust disease fund		112,700
3	Workers' compensation administrative revolving		
4	fund		80,000
5	State general fund/general purpose	\$	2,496,600
6	Sec. 103. WORKFORCE DEVELOPMENT		
7	Full-time equated classified positions	221.0	
8	Michigan high-speed internet office--FTE	1.0	\$ 100,000
9	Michigan office of rural prosperity--FTE	1.0	697,400
10	Workforce development administration--FTEs	219.0	23,745,800
11	Workforce development programs		269,377,000
12	GROSS APPROPRIATION	\$	293,920,200
13	Appropriated from:		
14	Federal revenues:		
15	DAG, employment and training		2,500,000
16	DED-OESE, GEAR-UP		4,000,000
17	DED-OVAE, adult education		16,000,000
18	DED-OVAE, basic grants to states		18,000,000
19	DOL, federal funds		38,000,000
20	DOL-ETA, workforce investment act		115,000,000
21	Federal funds		10,500,000
22	Social security act, temporary assistance for		
23	needy families		63,698,800
24	Special revenue funds:		
25	Local funds		150,000
26	Private funds		5,279,600
27	Contingent fund, penalty and interest		12,570,100
28	Defaulted loan collection		166,100



1	State general fund/general purpose	\$	8,055,600
2	Sec. 104. REHABILITATION SERVICES		
3	Full-time equated classified positions	668.0	
4	Bureau of services for blind persons--FTEs	113.0	\$ 25,509,200
5	Centers for independent living		11,080,100
6	Michigan rehabilitation services--FTEs	555.0	130,617,800
7	Personal assistance services reimbursement for		
8	employment program		400,000
9	GROSS APPROPRIATION	\$	167,607,100
10	Appropriated from:		
11	Federal revenues:		
12	DED, vocational rehabilitation and independent		
13	living		118,722,000
14	Federal funds		1,461,000
15	Supplemental security income		6,000,000
16	Special revenue funds:		
17	Local - blind services		100,000
18	Local - vocational rehabilitation match		5,000,000
19	Private - blind services		111,800
20	Private - gifts, bequests, and donations		210,000
21	Michigan business enterprise program fund		350,000
22	Rehabilitation service fees		150,000
23	Second injury fund		38,300
24	State general fund/general purpose	\$	35,464,000
25	Sec. 105. EMPLOYMENT SERVICES		
26	Full-time equated classified positions	360.0	
27	Bureau of employment relations--FTEs	17.0	\$ 3,049,700
28	Compensation supplement fund		820,000



1	First responder presumed coverage claims		4,000,000
2	Insurance funds administration--FTEs	23.0	3,400,000
3	Michigan occupational safety and health		
4	administration--FTEs	197.0	30,125,300
5	Private and occupational distance learning--		
6	FTEs	3.0	849,600
7	Radiation safety section--FTEs	21.0	3,414,900
8	Wage and hour program--FTEs	29.0	3,970,900
9	Worker's compensation board of magistrates--		
10	FTEs	10.0	2,238,000
11	Worker's disability compensation agency--FTEs	56.0	6,953,300
12	Worker's disability compensation appeals		
13	commission--FTEs	4.0	348,000
14	GROSS APPROPRIATION	\$	59,169,700
15	Appropriated from:		
16	Federal revenues:		
17	DOL - occupational safety and health		12,385,100
18	HHS, mammography quality standards		513,300
19	Special revenue funds:		
20	Asbestos abatement fund		600,000
21	Corporation fees		10,195,400
22	Distance education fund		362,800
23	First responder presumed coverage fund		4,000,000
24	Private occupational school license fees		486,800
25	Radiological health fees		2,901,600
26	Safety education and training fund		10,391,300
27	Second injury fund		2,200,000
28	Securities fees		9,150,700



1	Self-insurers security fund		900,000
2	Silicosis and dust disease fund		300,000
3	Worker's compensation administrative revolving		
4	fund		641,400
5	State general fund/general purpose	\$	4,141,300
6	Sec. 106. UNEMPLOYMENT INSURANCE AGENCY		
7	Full-time equated classified positions	744.0	
8	Unemployment insurance agency--FTEs	736.0	\$ 166,234,900
9	Unemployment insurance agency - advocacy		
10	assistance		1,500,000
11	Unemployment insurance appeals commission--FTEs	8.0	3,500,000
12	GROSS APPROPRIATION	\$	171,234,900
13	Appropriated from:		
14	Federal revenues:		
15	DOL-ETA, unemployment insurance		148,500,000
16	Special revenue funds:		
17	Contingent fund, penalty and interest		22,734,900
18	State general fund/general purpose	\$	0
19	Sec. 107. INFORMATION TECHNOLOGY		
20	Information technology services and projects	\$	22,339,400
21	GROSS APPROPRIATION	\$	22,339,400
22	Appropriated from:		
23	Federal revenues:		
24	DED, vocational rehabilitation and independent		
25	living		2,394,800
26	DOL-ETA, unemployment insurance		17,252,400
27	DOL - occupational safety and health		279,200
28	Special revenue funds:		

1	Asbestos abatement fund		26,500
2	Corporation fees		257,600
3	Distance education fund		15,500
4	Private occupational school license fees		61,800
5	Radiological health fees		117,000
6	Safety education and training fund		302,500
7	Second injury fund		135,500
8	Securities fees		798,700
9	Self-insurers security fund		94,200
10	Silicosis and dust disease fund		33,700
11	State general fund/general purpose	\$	570,000
12	Sec. 108. MICHIGAN STRATEGIC FUND		
13	Full-time equated classified positions	164.0	
14	Community college skilled trades equipment		
15	program	\$	4,600,000
16	Facility for rare isotope beams		7,300,000
17	Job creation services--FTEs	164.0	28,520,600
18	Lighthouse preservation program		250,000
19	Pure Michigan		17,000,000
20	Rural jobs and capital investment		7,500,000
21	GROSS APPROPRIATION	\$	65,170,600
22	Appropriated from:		
23	Federal revenues:		
24	Federal funds		3,000,000
25	State historic preservation, national park		
26	service grants		1,900,000
27	Special revenue funds:		
28	Local promotion fund		500,000



1	Private - promotion fund	500,000
2	Private - special project advances	200,000
3	21st century jobs trust fund	16,000,000
4	Contingent fund, penalty and interest	4,600,000
5	Michigan lighthouse preservation fund	250,000
6	Michigan state housing development authority	
7	fees and charges	4,811,300
8	Rural jobs and capital investment creation fund	7,500,000
9	State brownfield redevelopment fund	3,002,100
10	State historic preservation office fees and	
11	charges	503,500
12	State general fund/general purpose	\$ 22,403,700
13	Sec. 109. MICHIGAN STATE HOUSING DEVELOPMENT	
14	AUTHORITY	
15	Full-time equated classified positions	273.0
16	Community development block grants	\$ 47,000,000
17	Housing and rental assistance--FTEs	273.0 46,699,600
18	Michigan housing and community development	
19	program	50,000,000
20	MSHDA technology services and projects	3,187,200
21	Payments on behalf of tenants	166,860,000
22	Property management	3,497,100
23	GROSS APPROPRIATION	\$ 317,243,900
24	Appropriated from:	
25	Federal revenues:	
26	HUD, lower income housing assistance	166,860,000
27	HUD-CPD, community development block grant	47,000,000
28	Special revenue funds:	



1	Michigan housing and community development fund		50,000,000
2	Michigan state housing development authority		
3	fees and charges		53,383,900
4	State general fund/general purpose	\$	0
5	Sec. 110. STATE LAND BANK AUTHORITY		
6	Full-time equated classified positions	9.0	
7	State land bank authority--FTEs	9.0 \$	6,397,900
8	GROSS APPROPRIATION	\$	6,397,900
9	Appropriated from:		
10	Federal revenues:		
11	Federal funds		1,000,000
12	Special revenue funds:		
13	Land bank fast track fund		3,370,500
14	State general fund/general purpose	\$	2,027,400
15	Sec. 111. ONE-TIME APPROPRIATIONS		
16	Legislatively directed spending items	\$	100,000,000
17	Skilled trades workforce training grants		20,000,000
18	Wakefield Township infrastructure investment		50,000,000
19	GROSS APPROPRIATION	\$	170,000,000
20	Appropriated from:		
21	Special revenue funds:		
22	State general fund/general purpose	\$	170,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2024-2025

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 \$474,465,900.00 and total state spending under part 1 from state sources to be paid to local units of government is \$11,274,900.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Michigan rehabilitation services	\$	275,000
Workforce development programs		10,999,900
TOTAL	\$	11,274,900

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) "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 position in the classified service of this state.

(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.



1 (f) "MEGA" means the Michigan economic growth authority.

2 (g) "MSHDA" means the Michigan state housing development
3 authority.

4 (h) "PATH" means Partnership. Accountability. Training. Hope.

5 (i) "Standard report recipients" means the senate and house
6 appropriations subcommittees on labor and economic opportunity, the
7 senate and house fiscal agencies, the senate and house policy
8 offices, and the state budget office.

9 (j) "UIA" means the unemployment insurance agency.

10 (k) "USDOL" means the United States Department of Labor.

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

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

19 (a) The funds must not be used for the purchase of foreign
20 goods or services, or both, if competitively priced and of
21 comparable quality American goods or services, or both, are
22 available.

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

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



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

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

16 (a) The dates of each travel occurrence.

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

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



1 appropriations committees.

2 Sec. 210. (1) In addition to the funds appropriated in part 1,
3 there is appropriated an amount not to exceed \$15,000,000.00 for
4 federal contingency authorization. Amounts appropriated under this
5 subsection are not available for expenditure until they have been
6 transferred to another line item in part 1 under section 393(2) of
7 the management and budget act, 1984 PA 431, MCL 18.1393.

8 (2) In addition to the funds appropriated in part 1, there is
9 appropriated an amount not to exceed \$5,000,000.00 for state
10 restricted contingency authorization. Amounts appropriated under
11 this subsection are not available for expenditure until they have
12 been transferred to another line item in part 1 under section
13 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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



1 department:

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

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

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

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

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

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

26 Sec. 216. The department shall receive and retain copies of
27 all reports funded from appropriations in part 1. The department
28 shall follow federal and state law and guidelines for short-term
29 and long-term retention of records. The department may



1 electronically retain copies of reports unless otherwise required
2 by federal and state guidelines.

3 Sec. 217. Not later than April 1, the department shall report
4 on each specific policy change made to implement a public act
5 affecting the department that took effect during the previous
6 calendar year. The report must include reference to the public act
7 that necessitates the policy change. The department shall submit
8 the report to the standard report recipients, the senate and house
9 appropriations committees, and the joint committee on
10 administrative rules.

11 Sec. 218. To the extent possible, the department shall not
12 expend appropriations under part 1 until all existing authorized
13 work project funds available for the same purposes are exhausted.

14 Sec. 220. Requirements under this part applicable to the fund
15 and the fund's activities apply regardless of whether the fund
16 delegates its functions and authority to the MEDC.

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

23 Sec. 222. (1) From the funds appropriated in part 1, the
24 department shall do the following:

25 (a) Report to the standard report recipients and to the senate
26 and house appropriations committees any amounts of severance pay
27 for a department director, deputy director, or other high-ranking
28 department official not later than 14 days after a severance
29 agreement with the director, deputy director, or official is



1 signed. The name of the director, deputy director, or official and
2 the amount of severance pay must be included in the report required
3 by this subdivision.

4 (b) Not later than February 1, report on the total amount of
5 severance pay remitted to former department employees during the
6 prior fiscal year and the total number of former department
7 employees that were remitted severance pay during the prior fiscal
8 year.

9 (2) As used in this section, "severance pay" means
10 compensation to which both of the following apply:

11 (a) The compensation is payable or paid upon the termination
12 of employment.

13 (b) The compensation is paid in addition to wages or benefits
14 earned during the course of employment or generally applicable
15 retirement benefits.

16 Sec. 223. (1) The department shall maximize the efficiency of
17 the state workforce. The department shall prioritize employees
18 working in-person 5 days per week for each division within the
19 department. Employees with job responsibilities that require the
20 employees to serve in their capacities outside of the office must
21 report to the office before beginning field work. Field service
22 employees include, but are not limited to, protective services
23 workers, parole and probation officers, conservation officers,
24 state troopers assigned to road patrol, inspectors, and
25 construction and trade workers.

26 (2) The department shall establish a policy and process for
27 verifying that all employees are working their jobs during normal
28 business hours.

29 (3) The department shall provide information on employee badge



1 scanning when requested by a member of the legislature.

2 Sec. 224. (1) Funds appropriated in part 1 that are used for
3 grants or grant programs are subject to the following conditions:

4 (a) Grant funds must be provided only to an entity that has
5 been established or is operating in this state or another state for
6 at least 36 months before approval or disbursement of grant funds.

7 (b) Grant funds must be provided only to an entity that has
8 had an office within this state or in the service area covered
9 under the grant for at least 12 months before approval or
10 disbursement of grant funds.

11 (c) Before awarding or disbursing grant funds, all grant
12 recipients must provide a spending plan that specifies the scope of
13 service, the program goals, the measurement for meeting program
14 goals, and how all grant funds will be used and must indicate if
15 any grant funds will be provided to a third party or subrecipient.

16 (d) Up to 20% of grant funds may be spent on administrative
17 costs and salaries. Up to 10% is authorized for contingencies.

18 (e) Each department or agency responsible for awarding or
19 disbursing grant funds must annually audit the entity's use of the
20 grant funds for each fiscal year in which the grant is active. Each
21 entity must submit information requested by the department to
22 confirm compliance.

23 (f) Each department and agency shall work with the office of
24 the auditor general to conduct an audit of the grant according to
25 generally accepted accounting practices and audit standards. The
26 office of the auditor general must be given access to all internal
27 and external records. All contracts or agreements between a
28 department or agency and a grant recipient or between a grant
29 recipient and a third party must include a clause granting the



1 office of the auditor general access to all internal and external
2 records.

3 (g) Grant recipients and their immediate family members are
4 prohibited from being employed by the executive branch or
5 legislative branch of this state. In addition, grant recipients are
6 prohibited from serving on any state board that has direct or
7 indirect responsibility for approving or auditing grant funds
8 awarded or disbursed by any department or agency.

9 (h) Full and complete audits of grant funds issued by the
10 department or an agency of this state, without redaction unless
11 required by law, must be posted to the department's website in a
12 conspicuous place for public review.

13 (2) On a quarterly basis, the department shall submit a report
14 to the standard report recipients on legislatively sponsored grant
15 funds that includes, but is not limited to, all of the following:

16 (a) The name of each grant recipient and the status of each
17 grant.

18 (b) The amount distributed to each grant recipient.

19 (c) The remaining amount to be distributed to each grant
20 recipient.

21 (d) Any changes to scope or costs of program.

22 (3) The report under subsection (2) must include the following
23 statements made by the department:

24 (a) A statement that confirms the department reviewed and
25 affirmed compliance by each grant recipient to program scope and
26 expenditure of grant funding.

27 (b) A statement that confirms the department reviewed
28 applicable program reports and requests for reimbursement.

29 Sec. 225. (1) The department shall require, as a condition of



1 each contract or subcontract, that the prequalified contractor or
2 prequalified subcontractor agree to use the E-Verify system to
3 verify that all persons hired during the contract term by the
4 contractor or subcontractor are legally present and authorized to
5 work in the United States.

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

12 (3) The department shall not contract with any foreign
13 entities that are known or suspected to be enemies of the United
14 States or known foreign adversaries. Foreign adversaries include
15 all of the following:

16 (a) The People's Republic of China.

17 (b) The Russian Federation.

18 (c) The Islamic Republic of Iran.

19 (d) The Democratic People's Republic of Korea.

20 (e) The Republic of Cuba.

21 (f) The Venezuelan regime of Nicolás Maduro.

22 (g) The Syrian Arab Republic.

23 (h) An agency or other entity under significant control of a
24 country described in subdivisions (a) to (g).

25 (4) As used in this section, "E-Verify" means an internet-
26 based system operated by the Department of Homeland Security, U.S.
27 Citizenship and Immigration Services in partnership with the Social
28 Security Administration.

29 Sec. 226. Funds appropriated in part 1 from state or federal



1 sources are prohibited from being used to provide services, grants,
2 or programming to an individual who is not a citizen of the United
3 States, unless the individual is a qualified alien as that term is
4 defined in 8 USC 1641. This section does not prohibit the
5 department, political subdivision, state university, or other state
6 agency from expending funds for the purpose of detaining
7 individuals who are not citizens of the United States, including
8 any costs associated with housing such individuals in county jails
9 or state correctional facilities.

10 Sec. 227. The department shall submit a quarterly report that
11 summarizes all work project accounts. The report must include all
12 of the following:

13 (a) A list of all work project accounts.

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

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

21 Sec. 228. Total authorized appropriations from all sources
22 under part 1 for legacy costs for the fiscal year ending September
23 30, 2026 are estimated at \$39,647,300.00. From this amount, total
24 appropriations for pension-related legacy costs for the department
25 are estimated at \$35,759,400.00. Total appropriations for retiree
26 health care legacy costs for the department are estimated at
27 \$3,887,900.00.

28 Sec. 229. (1) The department shall maintain, on a publicly
29 accessible website, a department scorecard that identifies, tracks,



1 and updates on a quarterly basis key metrics that are used to
2 monitor and improve the department's performance.

3 (2) The department shall notify the standard report recipients
4 when the quarterly updates to the department scorecard are
5 available on a publicly accessible website.

6 Sec. 230. (1) Unless specifically authorized elsewhere in this
7 part or part 1, funds appropriated in part 1 must not be used to
8 pay for a state obligation that exceeds \$200,000.00 for a court-
9 approved judgement, settlement, award, or claim without prior
10 legislative approval.

11 (2) If a state obligation for a court-approved judgment,
12 settlement, award, or claim results in a change from current
13 statute, the department shall notify the legislature.

14 (3) This section does not apply to compensation and other
15 relief to individuals wrongfully imprisoned as required under the
16 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
17 to 691.1757.

18 Sec. 231. Not later than November 15, the department shall
19 disclose on a publicly accessible website private and other third-
20 party funds received by the department in the previous fiscal year.
21 The report must include the amount of funding received, the
22 specific source of funding received, the purpose for which funding
23 was expended, and the amount of any remaining funds. The report
24 must be submitted to the standard report recipients and to the
25 chairpersons of the senate and house appropriations committees.

26 Sec. 232. State funds must not be used for diversity, equity,
27 and inclusion, or DEI, initiatives or programs as outlined in Exec.
28 Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical
29 and Wasteful Government DEI Programs and Preferencing", Exec. Order



No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

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. 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 total amount of fees collected under subsection (1) must not exceed 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



1 expenditure to cover the department's costs of sponsoring
2 informational, training, or special events.

3 (4) The amount appropriated under subsection (3) must not
4 exceed \$500,000.00.

5 Sec. 307. (1) If the revenue collected by the department for
6 radiological health administration and projects from fees and
7 collections exceeds the amount appropriated in part 1, the revenue
8 must be carried forward into the subsequent fiscal year. The
9 revenue carried forward under this section must be used as the
10 first source of funds in the subsequent fiscal year.

11 (2) The department shall submit a report to the standard
12 report recipients not later than March 15 that provides the total
13 amount of revenue from fees and collections for any radiological
14 health administration and projects that was carried forward from
15 the previous fiscal year.

16 Sec. 308. Funds appropriated in part 1 must not be used by a
17 department, authority, or agency to purchase an ownership interest
18 in a casino.

19 Sec. 309. Any funds appropriated under part 1 or this part
20 that are distributed through a grant process must be distributed,
21 to the extent practicable, in a manner that prioritizes awards to
22 recipients that have been active in this state for at least 5
23 calendar years.

24 Sec. 310. From the unexpended and unencumbered funds
25 appropriated under 2023 PA 119 to the strategic outreach and
26 attraction reserve fund created under section 4 of the Michigan
27 trust fund act, 2000 PA 489, MCL 12.254, and designated as work
28 project appropriations, the department shall work with the state
29 budget director to lapse a total of \$50,000,000.00.



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, single-family, and manufactured 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, single-family, and manufactured 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.

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,



1 for the purposes authorized by the act, including, but not limited
2 to, the acquisition, lease, management, demolition, maintenance, or
3 rehabilitation of real or personal property, payment of debt
4 service for notes or bonds issued by the authority, and other
5 expenses to clear or quiet title property held by the authority.
6 The state land bank authority may establish partnerships with local
7 land bank authorities.

8 (2) Not later than March 15, the state land bank authority
9 shall submit a report to the standard report recipients on the
10 number of real properties acquired, leased, managed, demolished,
11 maintained, or rehabilitated in the previous fiscal year and list
12 any partnerships that the state land bank authority has with any
13 local land bank authorities. The report must also include a list of
14 any properties sold by or otherwise transferred from the state land
15 bank authority in the previous fiscal year.

16
17 **MICHIGAN STRATEGIC FUND**

18 Sec. 501. The report required under section 9 of the Michigan
19 strategic fund act, 1984 PA 270, MCL 125.2009, must be transmitted
20 not later than March 15.

21 Sec. 502. In addition to the appropriations in part 1, Travel
22 Michigan may receive and expend private revenue related to the use
23 of "Pure Michigan" and all other copyrighted slogans and images.
24 This revenue may come from the direct licensing of the name and
25 image or from the royalty payments from various merchandise sales.
26 Revenue collected is appropriated for the marketing of this state
27 as a travel destination. The funds are available for expenditure
28 when they are received by the department of treasury. If the fund
29 receives revenues from the use of "Pure Michigan", the fund shall



1 provide a report that lists the revenues by source received from
2 the use of "Pure Michigan" and all other copyrighted slogans and
3 images. The report must provide a detailed list of expenditures of
4 revenues received under this section. The report must be provided
5 to the standard report recipients not later than March 15.

6 Sec. 503. (1) Funds appropriated in part 1 for Pure Michigan
7 must be used for the following purposes:

8 (a) Conduction of market research regionally, nationally, and
9 internationally for use in marketing campaigns.

10 (b) Production of advertisements for the promotion of Michigan
11 as a place to live, learn, build, work, play, and succeed.

12 (c) Placement of advertisements that have a diverse
13 representation in regional, national, and international market
14 campaigns to promote Michigan as a state that welcomes all
15 individuals and families.

16 (d) Not more than 1.0% of the appropriation for administration
17 of the program.

18 (e) Matching marketing campaigns funded from the local
19 promotion fund or private promotion fund.

20 (2) Subject to the approval of the Michigan strategic fund
21 board, the fund may contract with a third party for any of the
22 activities under subsection (1).

23 (3) The fund may work in cooperation with local units of
24 government, nonprofit entities, and private entities on Pure
25 Michigan promotion campaigns. The fund shall include agreements
26 prior to undertaking cooperative marketing campaigns.

27 (4) The department shall provide an annual report to the
28 standard report recipients not later than March 15, on the
29 utilization of funds for eligible activities in subsection (1),



1 including a breakdown by eligible use, efforts taken to broaden the
2 scope of marketing activities to diverse populations, a breakdown
3 of funds spent within this state and outside of this state, and
4 targeted marketing to encourage residents from other states to move
5 to this state.

6 (5) As prescribed by the legislature, funds appropriated to
7 Pure Michigan must be used for this state to market itself as a
8 travel and tourist destination with the sole purpose of attracting
9 new visitors and retaining former visitors. All of the following
10 apply to marketing under this subsection:

11 (a) Promotion may be made by print, television, radio, and
12 social media.

13 (b) The purpose of the advertisements under subdivision (a)
14 must be to attract tourism and leisure travelers to this state.

15 (c) Advertisements that incorporate the Pure Michigan Byways
16 campaign satisfy the requirement under subdivision (b).

17 (6) Once deposited, the MEDC shall use funds appropriated in
18 part 1 for Pure Michigan exclusively for the purpose of marketing
19 this state as a travel and tourist destination. The MEDC shall not
20 use the funds to sponsor or support non-tourism incentives and
21 campaigns that do either of the following:

22 (a) Seek to attract talent to this state.

23 (b) Incentivize out-of-state registered nonprofit or for-
24 profit businesses to establish, transfer, or dissolve business
25 operations domestically or internationally in order to transfer
26 that business to this state.

27 Sec. 504. (1) A local promotion fund is created in the
28 department. The fund may receive funds from local units of
29 government and nonprofit entities and deposit these funds into the



1 local promotion fund. Funds received are available for expenditure
2 for use in Pure Michigan promotion campaigns. The fund may maintain
3 individual accounts for local units of government and nonprofit
4 entities that deposit funds into the local promotion fund upon
5 request from a local unit of government. As used in this
6 subsection, "local unit of government" includes cities, villages,
7 townships, counties, and regional councils of government.

8 (2) Local promotion funds appropriated in part 1 may be used
9 for media production and placements, national and international
10 marketing campaigns, and for other activities that promote Michigan
11 as a place to live, work, and play.

12 (3) Any unexpended or unencumbered balance must be disposed of
13 in accordance with the management and budget act, 1984 PA 431, MCL
14 18.1101 to 18.1594, unless carryforward authorization has been
15 otherwise provided for.

16 (4) The department shall submit a report to the standard
17 report recipients not later than March 15 on any funds that have
18 been generated by local units of government and how those funds
19 have been expended.

20 Sec. 505. (1) A private promotion fund is created in the
21 department. The fund may receive funds from private entities and
22 deposit these funds into the private promotion fund. Funds received
23 are available for expenditure for use in Pure Michigan promotion
24 campaigns. The fund may maintain individual accounts for private
25 entities that deposit funds into the private promotion fund upon
26 request from a private entity.

27 (2) Private promotion funds appropriated in part 1 may be used
28 for media production and placements, national and international
29 marketing campaigns, and for other activities that promote Michigan



1 as a place to live, work, and play.

2 (3) Any unexpended or unencumbered balance shall be disposed
3 of in accordance with the management and budget act, 1984 PA 431,
4 MCL 18.1101 to 18.1594, unless carryforward authorization has been
5 otherwise provided for.

6 Sec. 506. (1) As a condition of receiving funds appropriated
7 in part 1, the fund must provide a report of all approved
8 amendments to projects for the immediately preceding year under
9 sections 88r and 90b of the Michigan strategic fund act, 1984 PA
10 270, MCL 125.2088r and 125.2090b. The report must provide a
11 description of each amendment, by award, that includes, but is not
12 limited to, the following:

13 (a) The amended award amount relative to the prior award
14 amount.

15 (b) The amended number of committed jobs relative to the prior
16 number of committed jobs.

17 (c) The amended amount of qualified investment committed
18 relative to the prior amount of qualified investment committed.

19 (d) A description of any change in scope of the project.

20 (e) A description of any change in project benchmarks,
21 deadlines, or completion dates.

22 (f) The reason or justification for the amendment approval.

23 (2) In addition to being posted online, the report must be
24 distributed to the standard report recipients not later than March
25 15.

26 Sec. 507. (1) As a condition of receiving funds appropriated
27 in part 1, the fund must request the following information from the
28 MEDC:

29 (a) Approved budget from the MEDC executive committee for the



1 current fiscal year and actual budget expenditures for the previous
2 fiscal years.

3 (b) Expenditures and revenues as part of the current and
4 previous year budgets, including the available fund balance for the
5 current and previous fiscal years.

6 (c) The total number of FTEs, by state and corporate status
7 and whether the position is currently filled or unfilled.

8 (d) A reporting of activities, programs, and grants consistent
9 with the previous fiscal year budget.

10 (e) A description of all subprograms funded with the business
11 attraction and community revitalization line item.

12 (2) Information received by the fund under this section must
13 be posted online and distributed to the standard report recipients
14 not later than March 15.

15 Sec. 508. As a condition of receiving funds under part 1, any
16 interlocal agreement entered into by the fund must include language
17 that states that if a local unit of government has a contract or
18 memorandum of understanding with a private economic development
19 agency, the MEDC will work cooperatively with that private
20 organization in that local area.

21 Sec. 509. (1) Of the funds appropriated to the fund or through
22 grants to the MEDC, funds must not be expended for the purchase of
23 options on land or the purchase of land unless at least 1 of the
24 following conditions applies:

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

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

29 (c) The land is obtained from the state land bank or a local



1 land bank authority.

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

7 (3) As used in this section, "economically distressed area"
8 means an area in a city, village, or township that has been
9 designated as blighted; a city, village, or township that shows
10 negative population change from 1970 and a poverty rate and
11 unemployment rate greater than the statewide average; or an area
12 certified as a neighborhood enterprise zone under the neighborhood
13 enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

14 (4) If land or options on land are purchased under subsection
15 (1), the fund shall provide a report that provides a list of all
16 properties purchased, all options on land purchased, the location
17 of the land purchased, and the purchase price if the fund purchases
18 options on land or land. The report must be submitted to the
19 standard report recipients not later than March 15.

20 Sec. 510. As a condition for receiving funds in part 1, not
21 later than March 15, the fund shall provide a report for the
22 previous fiscal year on the jobs for Michigan investment fund,
23 created in section 88h of the Michigan strategic fund act, 1984 PA
24 270, MCL 125.2088h. The report must include, but is not limited to,
25 all of the following:

26 (a) A detailed listing of revenues, by fund source, to the
27 jobs for Michigan investment fund. The listing must include the
28 manner and reason for which the funds were appropriated to the jobs
29 for Michigan investment fund.



1 (b) A detailed listing of expenditures, by project, from the
2 jobs for Michigan investment fund.

3 (c) A fiscal year-end balance of the jobs for Michigan
4 investment fund.

5 Sec. 511. (1) From the appropriations in part 1 to the fund
6 and granted or transferred to the MEDC, any unexpended or
7 unencumbered balance must be disposed of in accordance with the
8 requirements in the management and budget act, 1984 PA 431, MCL
9 18.1101 to 18.1594, unless carryforward authorization has been
10 otherwise provided for.

11 (2) Any encumbered funds, including encumbered funds
12 subsequently unobligated, must be used for the same purposes for
13 which funding was originally appropriated in this part and part 1.

14 (3) For funds appropriated in part 1 to the fund, any
15 carryforward authorization subsequently created through a work
16 project must be preserved until a cash or accrued expenditure has
17 been executed or the allowable work project time period has
18 expired.

19 Sec. 512. (1) As a condition of receiving funds under part 1,
20 the fund must ensure that the MEDC and the fund comply with all of
21 the following:

22 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
23 15.246.

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

25 (c) Annual audits of all financial records by the auditor
26 general or the auditor general's designee.

27 (d) All reports required by law to be submitted to the
28 legislature.

29 (2) If the MEDC is unable for any reason to perform duties



1 under this part, the fund may exercise those duties.

2 Sec. 513. As a condition for receiving the appropriations in
3 part 1, any staff of the MEDC involved in private fund-raising
4 activities must not be party to any decisions regarding the
5 awarding of grants, incentives, or tax abatements from the fund,
6 the critical industry program, the Michigan strategic site
7 readiness program, the MEDC, or the MEGA.

8 Sec. 515. (1) The fund shall report to the standard report
9 recipients on the status of the film incentives at the same time as
10 it submits the annual report required under section 455 of the
11 Michigan business tax act, 2007 PA 36, MCL 208.1455. The department
12 of treasury shall provide the fund with the data necessary to
13 prepare the report. Incentives included in the report shall include
14 all of the following:

15 (a) The tax credit provided under section 455 of the Michigan
16 business tax act, 2007 PA 36, MCL 208.1455.

17 (b) The tax credit provided under section 457 of the Michigan
18 business tax act, 2007 PA 36, MCL 208.1457.

19 (c) The tax credit provided under section 459 of the Michigan
20 business tax act, 2007 PA 36, MCL 208.1459.

21 (d) The amount of any tax credit claimed under former section
22 367 of the income tax act of 1967, 1967 PA 281.

23 (e) Any tax credits provided for film and digital media
24 production under the Michigan economic growth authority act, 1995
25 PA 24, MCL 207.801 to 207.810.

26 (f) Loans to an eligible production company or film and
27 digital media private equity fund authorized under section 88d(3),
28 (4), and (5) of the Michigan strategic fund act, 1984 PA 270, MCL
29 125.2088d.



1 (2) The report must include all of the following information:

2 (a) For each tax credit, the number of contracts signed, the
3 projected expenditures qualifying for the credit, and the estimated
4 value of the credits. For loans, the number of loans made under
5 each section, the interest rate of those loans, the loan amount,
6 the percent of the projected budget of each production financed by
7 those loans, and the estimated interest earnings from the loan.

8 (b) For credits authorized under section 455 of the Michigan
9 business tax act, 2007 PA 36, MCL 208.1455, for productions
10 completed by December 31, the expenditures of each production
11 eligible for the credit that has filed a request for certificate of
12 completion with the film office, broken down into expenditures for
13 goods, services, or salaries and wages and showing separately
14 expenditures in each local unit of government, including
15 expenditures for personnel, whether or not they were made to a
16 Michigan entity, and whether or not they were taxable under the
17 laws of this state.

18 (c) For loans, the report must include the number of loans
19 that have been fully repaid, with principal and interest shown
20 separately, and the number of loans that are delinquent or in
21 default, and the amount of principal that is delinquent or is in
22 default.

23 (d) For each of the tax credit incentives and loan incentives
24 listed in subsection (1), a breakdown for each project or
25 production showing each of the following:

26 (i) The number of temporary jobs created.

27 (ii) The number of permanent jobs created.

28 (iii) The number of persons employed in Michigan as a result of
29 the incentive, on a full-time equated basis.



1 (3) For any information not included in the report due to the
2 provisions of section 455(6), 457(6), or 459(6) of the Michigan
3 business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459,
4 the report shall do all of the following:

5 (a) Indicate how the information would describe the commercial
6 and financial operations or intellectual property of the company.

7 (b) Attest that the information has not been publicly
8 disseminated at any time.

9 (c) Describe how disclosure of the information may put the
10 company at a competitive disadvantage.

11 (4) Any information not disclosed due to the provisions of
12 section 455(6), 457(6), or 459(6) of the Michigan business tax act,
13 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, must be presented
14 at the lowest level of aggregation that would no longer describe
15 the commercial and financial operations or intellectual property of
16 the company.

17 (5) As a condition of receiving funds in part 1, not later
18 than March 15, the fund shall provide a report on the activities of
19 the Michigan film and digital media office for the previous fiscal
20 year to the standard report recipients. The report must include,
21 but is not limited to, a listing of all projects the Michigan film
22 and digital media office provided assistance on, a listing of the
23 services provided for each project, and an estimate of investment
24 leveraged.

25 Sec. 516. As a condition of receiving an award from the fund,
26 each business incubator or accelerator that received an award from
27 the fund must maintain and update a dashboard of indicators to
28 measure the effectiveness of the business incubator and accelerator
29 programs. Indicators must include the direct jobs created, new



1 companies launched as a direct result of business incubator or
2 accelerator involvement, businesses expanded as a direct result of
3 business incubator or accelerator involvement, direct investment in
4 client companies, private equity financing obtained by client
5 companies, grant funding obtained by client companies, and other
6 measures developed by the recipient business incubators and
7 accelerators in conjunction with the MEDC. Dashboard indicators
8 must be reported for the previous fiscal year and cumulatively, if
9 available. Each recipient shall submit a copy of their dashboard
10 indicators to the fund by March 1. The fund shall transmit the
11 local reports not later than March 15.

12 Sec. 519. From the funds appropriated in part 1, the fund
13 shall report quarterly to the standard report recipients on the
14 amount of funds considered appropriated, pre-encumbered,
15 encumbered, and expended from any work projects for any previous
16 fiscal years for business attraction and community revitalization.
17 The report must also include a listing of all previous
18 appropriations for business attraction and community
19 revitalization, or a predecessor, that were considered
20 appropriated, pre-encumbered, encumbered, or expended that have
21 lapsed back to the fund for any purpose.

22 Sec. 520. (1) The fund, in conjunction with the department of
23 treasury, shall report not later than November 1 on the annual cost
24 of the MEGA tax credits. The report must include for each year the
25 board-approved credit amount, adjusted for credit amendments where
26 applicable, and the actual and projected value of tax credits for
27 each year from 1995 to the expiration of the credit program. For
28 years for which credit claims are complete, the report must include
29 the total of actual certificated credit amounts. For years that



1 claims are still pending or not yet submitted, the report must
2 include a combination of actual credits where available and
3 projected credits. Credit projections must be based on updated
4 estimates of employees, wages, and benefits for eligible companies.

5 (2) In addition to the report under subsection (1), the fund,
6 in conjunction with the department of treasury, shall report to the
7 standard report recipients not later than November 1 on the annual
8 cost of all other certificated credits by program, for each year
9 until the credits expire or can no longer be collected. The report
10 must include estimates on the brownfield redevelopment credit, film
11 credits, MEGA photovoltaic technology credit, MEGA polycrystalline
12 silicon manufacturing credit, MEGA vehicle battery credit, and
13 other certificated credits.

14 Sec. 521. As a condition of receiving appropriations in part
15 1, prior to authorizing the transfer of any previously authorized
16 tax credit that would increase the liability to this state, the
17 fund, on behalf of the fund's board, must notify the standard
18 report recipients of the transfer of any previously authorized tax
19 credit that would increase the liability to this state not fewer
20 than 30 days prior to the authorization of the tax credit transfer.

21 Sec. 523. In addition to the funds appropriated in part 1, the
22 funds collected by state historic preservation programs for
23 document reproduction and services and application fees are
24 appropriated for all expenses necessary to provide the required
25 services. These funds are available for expenditure when they are
26 received and may be carried forward into the succeeding fiscal
27 year.

28 Sec. 524. Tax capture revenues collected in accordance with
29 written agreements under the good jobs for Michigan program and



1 transferred from the general fund for deposit into the good jobs
2 for Michigan fund, and for both calculated payments from the good
3 jobs for Michigan fund to authorized businesses and distributions
4 to the fund for administrative expenses, are appropriated under the
5 provisions of chapter 8D of the Michigan strategic fund act, 1984
6 PA 270, MCL 125.2090g to 125.2090j.

7 Sec. 525. The department shall submit a report to the standard
8 report recipients on March 15 that includes, but is not limited to,
9 fiscal year-to-date expenditures by division and program unit
10 within the job creation services line item. The report must contain
11 detailed information on expenditures and programs within the state
12 historic preservation office, including a list of any entities that
13 receive financial support from the state historic preservation
14 office.

15 Sec. 526. From the funds appropriated in part 1 for rural jobs
16 and capital investment, the Michigan strategic fund, in conjunction
17 with the MEDC and the department, shall make grants, loans, and
18 other types of economic assistance available to rural jobs and
19 capital investment funds in this state, as provided under section
20 90n of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090n.

21 22 **EMPLOYMENT SERVICES**

23 Sec. 601. From the funds appropriated in part 1 for wage and
24 hour program, the department shall conduct investigations of child
25 labor violations and wage theft from workers.

26 27 **WORKFORCE DEVELOPMENT**

28 Sec. 701. The department shall administer the PATH training
29 program in accordance with the requirements of section 407(d) of



1 title IV of the social security act, 42 USC 607, the state social
2 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other
3 applicable laws and regulations.

4 Sec. 702. From the funds appropriated in part 1 for workforce
5 development programs, the department may allocate funding for
6 grants to nonprofit organizations that offer programs under the
7 workforce innovation and opportunity act, 29 USC 3101 to 3361, for
8 eligible youth that focus on apprenticeship readiness, pre-
9 apprenticeship and apprenticeship activities, entrepreneurship,
10 work-readiness skills, job shadowing, or financial literacy.
11 Programs eligible for funding under this section must include the
12 participation of local business partners. The department shall
13 develop other appropriate eligibility requirements to ensure
14 compliance with applicable federal rules and regulations.

15 Sec. 703. From the funds appropriated in part 1, the
16 department shall make available, in person or by telephone, 1
17 disabled veterans outreach program specialist or local veterans
18 employment representative to Michigan works service centers, as
19 resources permit, during hours of operation, and shall continue to
20 make the appropriate placement of veterans and disabled veterans a
21 priority.

22 Sec. 704. (1) In addition to the funds appropriated in part 1,
23 any unencumbered and unrestricted funds allocated under the federal
24 workforce innovation and opportunity act, 29 USC 3101 to 3361, or
25 trade adjustment assistance funds available from previous fiscal
26 years are appropriated for the purposes originally intended.

27 (2) The department shall report to the standard report
28 recipients not later than March 15 on the amount, by fiscal year,
29 of funds allocated under the federal workforce innovation and



1 opportunity act, 29 USC 3101 to 3361, appropriated under this
2 section.

3 Sec. 708. (1) From the funds appropriated in part 1 for
4 workforce development administration, the department shall provide
5 a report on the status of workforce development not later than
6 March 15 to the standard report recipients. The report must include
7 the following:

8 (a) The amount of funding allocated to each Michigan works
9 agency and the total funding allocated to the workforce training
10 programs statewide by fund source.

11 (b) The number of participants enrolled in education or
12 training programs by each Michigan works agency.

13 (c) The average duration of training for training program
14 participants by each Michigan works agency.

15 (d) The number of participants enrolled in remedial education
16 programs and the number of participants enrolled in literacy
17 programs.

18 (e) The number of participants enrolled in programs at 2-year
19 institutions.

20 (f) The number of participants enrolled in programs at 4-year
21 institutions.

22 (g) The number of participants enrolled in proprietary
23 schools.

24 (h) The number of participants enrolled in technical training
25 programs.

26 (i) The number of participants that have completed education
27 or training programs.

28 (j) The number of participants who secured employment in
29 Michigan within 1 year of completing a training program.



1 (k) The number of participants who completed a training
2 program and secured employment in a field related to their
3 training.

4 (l) The average wage earned by participants who completed a
5 training program and secured employment within 1 year.

6 (m) The actual revenues received by the fund source and fund
7 appropriated for each discrete workforce development program area.

8 (n) The average cost of training per individual served, with
9 an average provided for participants at 2-year institutions,
10 participants at 4-year institutions, participants at proprietary
11 schools, and participants at technical training programs.

12 (2) Data collection for the report must be for the previous
13 state fiscal year.

14 Sec. 713. (1) The department shall provide reporting regarding
15 the interagency agreement with the department of health and human
16 services, which concerns TANF funding to provide job readiness and
17 welfare-to-work programming. The reporting must include specific
18 outcome and performance reporting requirements, as described in
19 this section. TANF funding provided to the department in the
20 current fiscal year is contingent on compliance with the data and
21 reporting requirements described in this section. The department
22 shall provide all of the following items for the previous year not
23 later than January 1 of the current fiscal year:

24 (a) An itemized spending report on TANF funding, including all
25 of the following:

26 (i) Direct services to clients.

27 (ii) Administrative expenditures.

28 (b) The number of family independence program clients served
29 through the TANF funding, including all of the following:



1 (i) The number and percentage who obtained employment through
2 Michigan Works!.

3 (ii) The number and percentage who fulfilled their TANF work
4 requirement through other job readiness programming.

5 (iii) Average TANF spending per client.

6 (iv) The number and percentage of clients who were referred to
7 Michigan Works! but did not receive a job or job readiness
8 placement and the reasons why.

9 (2) Not later than March 15 of the current fiscal year, the
10 department shall provide to the senate and house appropriations
11 subcommittees on health and human services and the standard report
12 recipients an annual report on the following matters itemized by
13 Michigan works agency:

14 (a) The number of referrals to Michigan works job readiness
15 programs.

16 (b) The number of referrals to Michigan works job readiness
17 programs who became a participant in the Michigan works job
18 readiness programs.

19 (c) The number of participants who obtained employment.

20 (d) The cost per participant case.

21 (3) As used in this section, "TANF" means temporary assistance
22 for needy families as described in 42 USC 601 to 619.

23 Sec. 714. (1) The office of rural prosperity shall encourage
24 and enable appropriate community advancements and improvements,
25 including, but not limited to, all of the following:

26 (a) Housing.

27 (b) Infrastructure.

28 (c) Education.

29 (d) Workforce development.



1 (e) Other activities that address needs uniquely present in
2 rural areas of this state and assist in expansion of rural
3 development.

4 (2) Not later than March 15, the office of rural prosperity
5 shall submit a report to the standard report recipients that
6 outlines the office's activities, programs, and accomplishments in
7 the previous fiscal year. To the extent possible, the report must
8 also include information regarding the amount of subsequent grant
9 funding that entities are able to secure after receiving assistance
10 from the office of rural prosperity or an office of rural
11 prosperity grant.
12

13 **UNEMPLOYMENT**

14 Sec. 801. The UIA shall provide a report updated at least
15 quarterly that includes, but is not limited to, fiscal year-to-date
16 expenditures by division and program unit. The UIA shall transmit
17 each quarterly report no later than 60 days after the end of each
18 quarter.

19 Sec. 802. (1) From the funds appropriated in part 1, the
20 department, on behalf of the UIA, shall provide a quarterly report
21 to the standard report recipients not later than 45 days after the
22 end of each quarter that includes, but is not limited to, the
23 following:

24 (a) The average number of unique claimants for the quarter.

25 (b) The average number of eligible claimants with
26 certification for the quarter.

27 (c) The average number of claims paid for the quarter.

28 (d) The total amount of standard unemployment insurance
29 payments paid for the quarter.



1 (e) The total amount of unemployment insurance tax generated
2 for the quarter.

3 (f) The balance of the Michigan unemployment trust fund at the
4 end of the quarter.

5 (2) The department shall include the same information required
6 in subsection (1) for the previous 12 months. The department shall
7 include the most recent quarterly report on the department's
8 webpage.

9 Sec. 803. From the funds appropriated in part 1, the
10 department shall provide a quarterly report not later than 45 days
11 after the end of each quarter that includes, but is not limited to,
12 the following:

13 (a) The number of new fraudulent and noncompliant cases that
14 have been identified or issued by the UIA, classified by employer
15 or claimant, during the quarter.

16 (b) The total amount of penalties and interest issued on
17 fraudulent and noncompliant cases during the quarter.

18 (c) The total amount of penalties and interest dollars
19 received during the quarter by employer or claimant.

20 (d) The total amount of collectible penalties and interest
21 still owed to this state by employer or claimant.

22 (e) The number of fraudulent and noncompliant cases that have
23 been appealed by an employer or claimant during the quarter.

24 Sec. 804. (1) The funds appropriated in part 1 for
25 unemployment insurance agency must be used to staff UIA branch
26 offices for in-person appointments for UIA claimant services.

27 (2) The department shall provide a biannual report to the
28 standard report recipients not later than March 15 and September 30
29 that includes all of the following:



1 (a) The number and location of in-person offices.

2 (b) The rentable square footage of each facility where the UIA
3 offers in-person services.

4 (c) For the previous 6 months, the average number of staff at
5 each location where the UIA offers in-person appointments, the
6 average number of staff assigned to offering virtual appointments,
7 and the average number of staff assigned to offering phone
8 appointments.

9 (d) For the previous 6 months, the volume of in-person
10 claimants served at each location, the volume of claimants served
11 through virtual appointments, and the volume of claimants served
12 through phone appointments.

13 Sec. 806. (1) From the funds appropriated in part 1 for
14 unemployment insurance agency, the department shall maintain
15 customer service standards for employers and claimants making use
16 of the various means by which they can access the system.

17 (2) The department shall identify specific outcomes and
18 performance metrics for this initiative, including, but not limited
19 to, the following:

20 (a) Unemployment benefit fund balance.

21 (b) Process improvement - fiscal integrity.

22 (c) Process improvement - determination timeliness.

23 (d) Process improvement - determination quality.

24
25 **REHABILITATION SERVICES**

26 Sec. 901. The Michigan rehabilitation services and bureau of
27 services for blind persons shall work collaboratively with service
28 organizations and government entities to identify allowable match
29 dollars to secure available federal vocational rehabilitation



1 funds.

2 Sec. 902. From the funds appropriated in part 1, the
3 department shall provide an annual report on efforts taken to
4 improve the Michigan rehabilitation services not later than March
5 15 to the standard report recipients. The report must include all
6 of the following:

7 (a) Reductions and changes in administration costs and
8 staffing.

9 (b) Service delivery plans and implementation steps achieved.

10 (c) Reorganization plans and implementation steps achieved.

11 (d) Plans to integrate Michigan rehabilitative services
12 programs into other services provided by the department.

13 (e) Quarterly expenditures by major spending category.

14 (f) Employment and job retention rates from both Michigan
15 rehabilitation services and its nonprofit partners.

16 (g) An explanation of each program goal that is set for
17 Michigan rehabilitation services.

18 (h) Success rate of each district in achieving the program
19 goals.

20 Sec. 904. If the department is at risk of entering into an
21 order of selection for services, the department shall notify the
22 standard report recipients within 2 weeks of receiving
23 notification.

24 Sec. 905. (1) Funds appropriated in part 1 for independent
25 living must be used to support the general operations of centers
26 for independent living in delivering mandated independent living
27 services in compliance with federal rules and regulations,
28 including 45 CFR Part 1329, and for projects to build the capacity
29 of centers for independent living to deliver independent living



1 services. Applications for the funds must be reviewed in accordance
2 with criteria and procedures established by the department. Funds
3 must be used in a manner consistent with the state plan for
4 independent living. Services provided should assist people with
5 disabilities to move toward self-sufficiency, including, but not
6 limited to, support for accessing transportation and health care,
7 obtaining employment, community living, nursing home transition,
8 information and referral services, education, youth transition
9 services, veterans, and stigma reduction activities and community
10 education. This includes the independent living guide services that
11 specifically focus on economic self-sufficiency.

12 (2) Not later than March 15 and in partnership with service
13 providers, the department shall submit a report to the standard
14 report recipients on direct customer and system outcomes and
15 performance measures.

16 Sec. 906. From the funds appropriated in part 1 for personal
17 assistance services reimbursement for employment program, the
18 department shall allocate all of the funding to support the
19 personal assistance services reimbursement for employment program.
20 An annual report must be submitted to the standard report
21 recipients not later than March 15 providing information on what
22 the program goals are and how many recipients receive services,
23 obtain goals, and exit the program.

24 Sec. 907. The appropriation in part 1 for bureau of services
25 for blind persons includes funds for case services. These funds may
26 be used for tuition payments for blind clients.

27 Sec. 908. (1) The bureau of services for blind persons may
28 provide and enter into agreements to provide general services,
29 training, meetings, information, special equipment, software,



1 facility use, and technical consulting services to other principal
2 executive departments, state agencies, local units of government,
3 the judicial branch of government, other organizations, and patrons
4 of department facilities. The department may charge fees for these
5 services that are reasonably related to the cost of providing the
6 services. In addition to the funds appropriated in part 1, funds
7 collected by the department for these services are appropriated for
8 all expenses necessary. The funds appropriated under this section
9 are allotted for expenditure when they are received by the
10 department of treasury.

11 (2) Not later than March 15, the department shall submit a
12 report to the standard report recipients on the total amount
13 appropriated under subsection (1) and any expenditures made under
14 subsection (1), with information provided on expenditure category
15 and payment recipient.

16
17 **ONE-TIME APPROPRIATIONS**

18 Sec. 1001. (1) From the funds appropriated in part 1 for
19 skilled trades workforce training grants, the department shall
20 allocate \$20,000,000.00 to award grants to organizations that
21 provide support for skilled trades education partnerships, skilled
22 trades certification programs, and skilled trades upskilling
23 initiatives.

24 (2) Not more than 25% of the funding awarded under this
25 section may be awarded to organizations affiliated with trade
26 unions.

27 (3) Not more than 25% of the funding awarded under this
28 section may be awarded to organizations that are community colleges
29 or organizations that are affiliated with community colleges.



1 Sec. 1002. From the funds appropriated in part 1 for Wakefield
2 Township infrastructure investment, the department shall award
3 \$50,000,000.00 to Wakefield Township in Gogebic County for
4 infrastructure improvements that include, but are not limited to,
5 transportation access, water and wastewater, groundwater quality
6 analysis, power reliability, and cellular and broadband access.

7 Sec. 1003. (1) From the funds appropriated in part 1 for
8 legislatively directed spending items, \$1,300,000.00 shall be
9 awarded to Access Health in Muskegon to sustain the Access Health
10 model and to allow for replication of proven strategies in other
11 communities in this state.

12 (2) From the funds appropriated in part 1 for legislatively
13 directed spending items, \$2,119,000.00 shall be awarded to Allband
14 Communications in Curran to assist with local matching requirements
15 for the rural utility service reconnect program.

16 (3) From the funds appropriated in part 1 for legislatively
17 directed spending items, \$1,000,000.00 shall be awarded to American
18 Legion Devereaux post 141 in Livingston County to support
19 infrastructure improvements at the post.

20 (4) From the funds appropriated in part 1 for legislatively
21 directed spending items, \$2,500,000.00 shall be awarded to the
22 Antrim County road commission to support repairs to Essex Road.

23 (5) From the funds appropriated in part 1 for legislatively
24 directed spending items, \$2,537,600.00 shall be awarded to the
25 Barry County road commission to support the removal and replacement
26 of a road and river crossing on Brown Road over the Little
27 Thornapple River in Woodland Township.

28 (6) From the funds appropriated in part 1 for legislatively
29 directed spending items, \$920,000.00 shall be awarded to Blendon



1 Township in Ottawa County to address water security and water
2 infrastructure needs.

3 (7) From the funds appropriated in part 1 for legislatively
4 directed spending items, \$30,000.00 shall be awarded to the Bronson
5 Health Foundation to support sexual assault education programming.

6 (8) From the funds appropriated in part 1 for legislatively
7 directed spending items, \$1,000,000.00 shall be awarded to
8 Charlevoix Township in Charlevoix County to support the purchase of
9 a replacement aerial platform fire truck.

10 (9) From the funds appropriated in part 1 for legislatively
11 directed spending items, \$32,000.00 shall be awarded to the city of
12 Albion in Calhoun County to support the cost of purchasing body-
13 worn cameras for law enforcement officers and associated data
14 management costs.

15 (10) From the funds appropriated in part 1 for legislatively
16 directed spending items, \$609,000.00 shall be awarded to the city
17 of Bronson in Branch County for replacement of an ultraviolet
18 disinfection system at the wastewater treatment facility.

19 (11) From the funds appropriated in part 1 for legislatively
20 directed spending items, \$550,000.00 shall be awarded to the city
21 of Coleman in Midland County to support improvements to the
22 sanitary sewer lift station that serves the city's industrial
23 district.

24 (12) From the funds appropriated in part 1 for legislatively
25 directed spending items, \$4,400,000.00 shall be awarded to the city
26 of Davison in Genesee County to support road infrastructure
27 repairs.

28 (13) From the funds appropriated in part 1 for legislatively
29 directed spending items, \$1,000,000.00 shall be awarded to the city



1 of Flat Rock in Wayne County to support the purchase of a fire
2 truck.

3 (14) From the funds appropriated in part 1 for legislatively
4 directed spending items, \$900,000.00 shall be awarded to the city
5 of Ishpeming in Marquette County to support the purchase of a fire
6 truck.

7 (15) From the funds appropriated in part 1 for legislatively
8 directed spending items, \$1,000,000.00 shall be awarded to the city
9 of Marine City in St. Clair County for development and upgrades at
10 Guy Community Center.

11 (16) From the funds appropriated in part 1 for legislatively
12 directed spending items, \$750,000.00 shall be awarded to the city
13 of Marysville in St. Clair County to support a project to replace a
14 failing seawall at the water filtration plant.

15 (17) From the funds appropriated in part 1 for legislatively
16 directed spending items, \$865,000.00 shall be awarded to the city
17 of Menominee in Menominee County to support a fire suppression
18 infrastructure project in the Menominee industrial park.

19 (18) From the funds appropriated in part 1 for legislatively
20 directed spending items, \$500,000.00 shall be awarded to the city
21 of Monroe in Monroe County for a grade separation at the CSX rail
22 crossing on West Elm Avenue.

23 (19) From the funds appropriated in part 1 for legislatively
24 directed spending items, \$2,000,000.00 shall be awarded to the city
25 of Rochester Hills in Oakland County for roadway infrastructure and
26 a community gathering space at a community park.

27 (20) From the funds appropriated in part 1 for legislatively
28 directed spending items, \$1,500,000.00 shall be awarded to the city
29 of Rockwood in Wayne County to support improvements at the



1 wastewater treatment facility.

2 (21) From the funds appropriated in part 1 for legislatively
3 directed spending items, \$125,000.00 shall be awarded to the city
4 of Springfield in Calhoun County to support the construction of a
5 carport for law enforcement vehicles.

6 (22) From the funds appropriated in part 1 for legislatively
7 directed spending items, \$1,750,000.00 shall be awarded to the city
8 of Taylor in Wayne County to support upgrades to the baseball
9 stadium at Heritage Park.

10 (23) From the funds appropriated in part 1 for legislatively
11 directed spending items, \$250,000.00 shall be awarded to the city
12 of Utica police department in Macomb County to support the purchase
13 of police equipment.

14 (24) From the funds appropriated in part 1 for legislatively
15 directed spending items, \$175,000.00 shall be awarded to Common
16 Ground, headquartered in the village of Bingham Farms, for response
17 activities provided by the victim assistance program.

18 (25) From the funds appropriated in part 1 for legislatively
19 directed spending items, \$1,500,000.00 shall be awarded to Denmark
20 Township in Tuscola County to repair critical deficiencies in the
21 township's wastewater treatment lagoons.

22 (26) From the funds appropriated in part 1 for legislatively
23 directed spending items, \$2,203,000.00 shall be awarded to the
24 Genesee County road commission to support replacement of the
25 Frances Road bridge that spans over Butternut Creek in Genesee
26 County.

27 (27) From the funds appropriated in part 1 for legislatively
28 directed spending items, \$275,000.00 shall be awarded to Green
29 Charter Township in Mecosta County to offset legal fees and costs



1 incurred by the township.

2 (28) From the funds appropriated in part 1 for legislatively
3 directed spending items, \$300,000.00 shall be awarded to the Hindu
4 Community Relations Council of Michigan to support a statewide
5 public safety and leadership education initiative for Hindu and
6 Jain houses of worship.

7 (29) From the funds appropriated in part 1 for legislatively
8 directed spending items, \$250,000.00 shall be awarded to the
9 Isabella County board of commissioners to support a feasibility
10 study for construction of a northbound entrance ramp located near
11 the intersection of US-127 business route and South Mission Road.

12 (30) From the funds appropriated in part 1 for legislatively
13 directed spending items, \$1,500,000.00 shall be awarded to the
14 Jackson County parks department to support improvements at The
15 Cascades.

16 (31) From the funds appropriated in part 1 for legislatively
17 directed spending items, \$1,000,000.00 shall be awarded to the
18 Jackson Interfaith Shelter in Jackson County to support
19 construction of additional shelter space and facilities.

20 (32) From the funds appropriated in part 1 for legislatively
21 directed spending items, \$1,935,000.00 shall be awarded to
22 Kawkawlin Township in Bay County for infrastructure to address
23 flooding on South Linwood Beach Road.

24 (33) From the funds appropriated in part 1 for legislatively
25 directed spending items, \$1,800,000.00 shall be awarded to the Kent
26 County Youth Agricultural Association to support the development of
27 the Grand Agricultural Center of West Michigan.

28 (34) From the funds appropriated in part 1 for legislatively
29 directed spending items, \$100,000.00 shall be awarded to Kirtland



1 Community College to support a timber harvester simulator.

2 (35) From the funds appropriated in part 1 for legislatively
3 directed spending items, \$5,000,000.00 shall be awarded to the Lake
4 Mitchell sewer authority in Wexford County for infrastructure
5 repairs.

6 (36) From the funds appropriated in part 1 for legislatively
7 directed spending items, \$3,000,000.00 shall be awarded to Lake
8 Superior Community Partnership in Marquette County to support
9 strengthened air service and infrastructure investment at Marquette
10 Sawyer Regional Airport.

11 (37) From the funds appropriated in part 1 for legislatively
12 directed spending items, \$800,000.00 shall be awarded to Macomb
13 County public works to support a 3-year field trial to test
14 scalable management techniques for *Microseira Wollei benthic*
15 *cyanobacteria muck*.

16 (38) From the funds appropriated in part 1 for legislatively
17 directed spending items, \$2,500,000.00 shall be awarded to Macomb
18 Township in Macomb County for creation of a boulevard and
19 associated infrastructure.

20 (39) From the funds appropriated in part 1 for legislatively
21 directed spending items, \$2,500,000.00 shall be awarded to the
22 Mason-Griffith Founders Chapter of Trout Unlimited to support river
23 conservation, preservation, and sustainability activities in the Au
24 Sable River and Manistee River watersheds.

25 (40) From the funds appropriated in part 1 for legislatively
26 directed spending items, \$2,000,000.00 shall be awarded to Matrix
27 Human Services in Detroit to enhance and expand workforce
28 development programs.

29 (41) From the funds appropriated in part 1 for legislatively



1 directed spending items, \$3,000,000.00 shall be awarded to Michigan
2 Technological University for the mass timber research and
3 demonstration structure.

4 (42) From the funds appropriated in part 1 for legislatively
5 directed spending items, \$245,000.00 shall be awarded to Mid-
6 Peninsula school district in Delta County for replacing a heating,
7 ventilation, and air conditioning system.

8 (43) From the funds appropriated in part 1 for legislatively
9 directed spending items, \$2,500,000.00 shall be awarded to the
10 Oakland-Macomb interceptor drain drainage district in Macomb County
11 to support construction of a new odor and corrosion control
12 facility and associated costs.

13 (44) From the funds appropriated in part 1 for legislatively
14 directed spending items, \$3,000,000.00 shall be awarded to Orion
15 Charter Township in Oakland County to support the Orion Township
16 Community Recreation Center redesign project.

17 (45) From the funds appropriated in part 1 for legislatively
18 directed spending items, \$600,000.00 shall be awarded to Park
19 Township in Ottawa County to support the purchase and remodeling of
20 the former United States Coast Guard station in Park Township, so
21 that it can be used by the Park Township fire department.

22 (46) From the funds appropriated in part 1 for legislatively
23 directed spending items, \$1,192,500.00 shall be awarded to the
24 Saginaw County road commission for protective infrastructure that
25 safeguards equipment and materials.

26 (47) From the funds appropriated in part 1 for legislatively
27 directed spending items, \$1,000,000.00 shall be awarded to Shelby
28 Township in Oceana County for construction of a community pool.

29 (48) From the funds appropriated in part 1 for legislatively



1 directed spending items, \$3,300,000.00 shall be awarded to Sheridan
2 Township in Calhoun County to support repairs to bridge structures
3 1383 and 1384 on 24 Mile Road.

4 (49) From the funds appropriated in part 1 for legislatively
5 directed spending items, \$900,000.00 shall be awarded to
6 Springfield Charter Township in Oakland County to support the
7 installation of high-capacity community fire protection wells
8 throughout the township.

9 (50) From the funds appropriated in part 1 for legislatively
10 directed spending items, \$3,354,500.00 shall be awarded to Southern
11 Michigan Railroad for repairs and essential improvements.

12 (51) From the funds appropriated in part 1 for legislatively
13 directed spending items, \$1,231,000.00 shall be awarded to
14 Southwest Shiawassee Emergency Services Alliance in Shiawassee
15 County to support the purchase of 2 ambulances and associated
16 equipment.

17 (52) From the funds appropriated in part 1 for legislatively
18 directed spending items, \$1,100,000.00 shall be awarded to the St.
19 Clair County road commission to support repairs to the Palms Road
20 bridge that spans over Smiths Creek in Wales Township.

21 (53) From the funds appropriated in part 1 for legislatively
22 directed spending items, \$280,000.00 shall be awarded to the St.
23 Clair County road commission to support repairs to the Sterling
24 Road culvert over the Lynn-Mussey state drain in Lynn Township.

25 (54) From the funds appropriated in part 1 for legislatively
26 directed spending items, \$3,000,000.00 shall be awarded to Starfish
27 Family Services, headquartered in the city of Inkster, to expand
28 its programming in the Brightmoor neighborhood in Detroit.

29 (55) From the funds appropriated in part 1 for legislatively



1 directed spending items, \$220,000.00 shall be awarded to the Tri-
2 Township fire department in Saginaw County to support equipment
3 purchases.

4 (56) From the funds appropriated in part 1 for legislatively
5 directed spending items, \$500,000.00 shall be awarded to the Troy
6 school district in Oakland County to support projects to improve
7 traffic flow at Smith Middle School.

8 (57) From the funds appropriated in part 1 for legislatively
9 directed spending items, \$1,000,000.00 shall be awarded to the
10 village of Breckenridge in Gratiot County to support construction
11 of a new fire hall.

12 (58) From the funds appropriated in part 1 for legislatively
13 directed spending items, \$1,170,000.00 shall be awarded to the
14 village of Carsonville in Sanilac County for water infrastructure.

15 (59) From the funds appropriated in part 1 for legislatively
16 directed spending items, \$2,300,000.00 shall be awarded to
17 Waterford Charter Township in Oakland County to support
18 construction costs associated with building a modern regional fire
19 station.

20 (60) From the funds appropriated in part 1 for legislatively
21 directed spending items, \$500,000.00 shall be awarded to Watertown
22 Township in Tuscola County to support the purchase of a fire truck.

23 (61) From the funds appropriated in part 1 for legislatively
24 directed spending items, \$5,000,000.00 shall be awarded to Wayne
25 County to support the establishment of a county emergency
26 operations center.

27 (62) From the funds appropriated in part 1 for legislatively
28 directed spending items, \$10,000,000.00 shall be awarded to the
29 Wayne County department of public services to support a full bridge



replacement on West Road in Trenton.

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	1,530.0
--	---------

GROSS APPROPRIATION	\$ 579,282,500
----------------------------	-----------------------

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	24,770,700
--	------------

ADJUSTED GROSS APPROPRIATION	\$ 554,511,800
-------------------------------------	-----------------------

Federal revenues:

Total federal revenues	30,052,100
------------------------	------------

Special revenue funds:

Total local revenues	0
----------------------	---

Total private revenues	0
------------------------	---

Total other state restricted revenues	270,591,900
---------------------------------------	-------------

State general fund/general purpose	\$ 253,867,800
---	-----------------------

Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT

Full-time equated unclassified positions	20.0
--	------



1	Full-time equated classified positions	78.0		
2	Unclassified salaries--FTEs	20.0	\$	1,643,800
3	Administrative services--FTEs	58.0		6,717,800
4	Executive director programs--FTEs	17.0		2,428,800
5	FOIA coordination--FTEs	3.0		351,800
6	Property management			6,924,200
7	Worker's compensation			72,000
8	GROSS APPROPRIATION		\$	18,138,400
9	Appropriated from:			
10	Interdepartmental grant revenues:			
11	IDG from MDIFS, accounting services			111,600
12	Federal revenues:			
13	EPA, underground storage tanks			22,700
14	HHS-Medicaid, certification of health care			
15	providers and suppliers			317,700
16	HHS-Medicare, certification of health care			
17	providers and suppliers			527,600
18	Special revenue funds:			
19	Aboveground storage tank fees			77,100
20	Accountancy enforcement fund			53,200
21	Boiler inspection fund			238,100
22	Builder enforcement fund			95,500
23	Construction code fund			665,600
24	Corporation fees			3,394,600
25	Elevator fees			263,700
26	Fire alarm fees			5,700
27	Fire safety standard and enforcement fund			1,600
28	Fire service fees			336,200



1	Fireworks safety fund	51,000
2	Health professions regulatory fund	1,589,900
3	Health systems fees	218,100
4	Licensing and regulation fund	734,300
5	Liquor license revenue	296,300
6	Liquor purchase revolving fund	2,467,600
7	Marihuana registry fund	164,000
8	Marihuana regulation fund	1,107,800
9	Marihuana regulatory fund	474,200
10	Michigan unarmed combat fund	4,400
11	Mobile home code fund	232,900
12	Nurse professional fund	30,100
13	PMECSEMA fund	35,700
14	Property development fees	5,800
15	Public utility assessments	2,597,600
16	Real estate appraiser education fund	2,000
17	Real estate education fund	8,700
18	Real estate enforcement fund	8,900
19	Refined petroleum fund	130,800
20	Securities fees	1,143,700
21	Securities investor education and training fund	7,100
22	Security business fund	5,300
23	Survey and remonumentation fund	92,100
24	Tax tribunal fund	579,000
25	Utility consumer representation fund	40,200
26	State general fund/general purpose	\$ 0
27	Sec. 103. PUBLIC SERVICE COMMISSION	
28	Full-time equated classified positions	180.0



1	Public service commission--FTEs	180.0	\$	35,266,000
2	GROSS APPROPRIATION		\$	35,266,000
3	Appropriated from:			
4	Federal revenues:			
5	DOT, gas pipeline safety			2,599,300
6	Special revenue funds:			
7	Public utility assessments			32,666,700
8	State general fund/general purpose		\$	0
9	Sec. 104. LIQUOR CONTROL COMMISSION			
10	Full-time equated classified positions	116.0		
11	Liquor licensing and enforcement--FTEs	94.0	\$	14,510,900
12	Management support services--FTEs	22.0		3,706,600
13	GROSS APPROPRIATION		\$	18,217,500
14	Appropriated from:			
15	Special revenue funds:			
16	Direct shipper enforcement revolving fund			254,700
17	Liquor control enforcement and license			
18	investigation revolving fund			142,000
19	Liquor license fee enhancement fund			62,000
20	Liquor license revenue			6,796,600
21	Liquor purchase revolving fund			10,962,200
22	State general fund/general purpose		\$	0
23	Sec. 105. OCCUPATIONAL REGULATION			
24	Full-time equated classified positions	804.0		
25	Bureau of community and health systems--FTEs	156.0	\$	25,173,600
26	Bureau of construction codes--FTEs	129.0		25,286,100
27	Bureau of fire services--FTEs	85.0		14,038,200
28	Bureau of professional licensing--FTEs	182.0		40,285,800



1	Bureau of survey and certification--FTEs	160.0	27,043,200
2	Corporations, securities, and commercial		
3	licensing bureau--FTEs	92.0	14,442,700
4	Urban search and rescue		1,000,000
5	GROSS APPROPRIATION	\$	147,269,600
6	Appropriated from:		
7	Federal revenues:		
8	DHS, fire training systems		528,000
9	DOT, hazardous materials training and planning		20,000
10	EPA, underground storage tanks		820,600
11	HHS-Medicaid, certification of health care		
12	providers and suppliers		9,118,700
13	HHS-Medicare, certification of health care		
14	providers and suppliers		14,647,000
15	Special revenue funds:		
16	Aboveground storage tank fees		343,700
17	Accountancy enforcement fund		1,155,100
18	Adult foster care facilities licenses fund		373,600
19	Boiler inspection fund		2,410,200
20	Builder enforcement fund		518,700
21	Construction code fund		10,926,300
22	Corporation fees		9,892,900
23	Division on deafness fund		73,400
24	Elevator fees		6,776,600
25	Fire alarm fees		138,300
26	Fire safety standard and enforcement fund		32,300
27	Fire service fees		5,115,800
28	Fireworks safety fund		1,249,400



1	Health professions regulatory fund	25,802,300
2	Health systems fees	4,139,500
3	Licensing and regulation fund	10,899,200
4	Liquor purchase revolving fund	156,100
5	Marihuana regulatory fund	500,000
6	Mobile home code fund	1,712,200
7	Nurse aide and medication aide registration	
8	fund	1,657,800
9	Nurse professional fund	1,884,100
10	PMECSEMA fund	2,458,300
11	Property development fees	155,100
12	Real estate appraiser education fund	62,700
13	Real estate education fund	576,500
14	Real estate enforcement fund	722,500
15	Refined petroleum fund	2,656,200
16	Securities fees	4,685,100
17	Securities investor education and training fund	438,800
18	Security business fund	210,400
19	Survey and remonumentation fund	727,600
20	State general fund/general purpose	\$ 23,684,600
21	Sec. 106. CANNABIS REGULATORY AGENCY	
22	Full-time equated classified positions	145.0
23	Cannabis regulatory agency--FTEs	145.0 \$ 28,649,200
24	Cannabis regulatory agency enforcement	5,000,000
25	GROSS APPROPRIATION	\$ 33,649,200
26	Appropriated from:	
27	Special revenue funds:	
28	Industrial hemp licensing and registration fund	295,900



1	Marihuana registry fund		3,233,300
2	Marihuana regulation fund		21,973,600
3	Marihuana regulatory fund		8,146,400
4	State general fund/general purpose	\$	0
5	Sec. 107. MICHIGAN OFFICE OF ADMINISTRATIVE		
6	HEARINGS AND RULES		
7	Full-time equated classified positions	162.0	
8	Michigan office of administrative hearings and		
9	rules--FTEs	162.0 \$	34,037,600
10	GROSS APPROPRIATION	\$	34,037,600
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	IDG revenues - administrative hearings and		
14	rules		23,345,200
15	Special revenue funds:		
16	Construction code fund		24,200
17	Corporation fees		3,870,500
18	Health professions regulatory fund		782,400
19	Health systems fees		147,700
20	Licensing and regulation fund		817,900
21	Liquor purchase revolving fund		435,300
22	Marihuana regulation fund		226,800
23	Marihuana regulatory fund		88,300
24	Public utility assessments		2,635,800
25	Securities fees		928,100
26	Tax tribunal fund		735,400
27	State general fund/general purpose	\$	0
28	Sec. 108. COMMISSIONS		



1	Full-time equated classified positions	18.0		
2	Michigan indigent defense commission--FTEs	18.0	\$	2,735,200
3	Michigan unarmed combat commission			126,200
4	GROSS APPROPRIATION		\$	2,861,400
5	Appropriated from:			
6	Special revenue funds:			
7	Michigan unarmed combat fund			126,200
8	State general fund/general purpose		\$	2,735,200
9	Sec. 109. MICHIGAN COMMISSION ON LAW ENFORCEMENT			
10	STANDARDS			
11	Full-time equated classified positions	27.0		
12	De-escalation training		\$	500,000
13	In-service training--FTEs	7.0		18,271,100
14	Justice training grants			10,000,000
15	Public safety officers benefit fund--FTE	1.0		303,000
16	Standards and training--FTEs	19.0		4,017,200
17	Training only to local units			855,000
18	GROSS APPROPRIATION		\$	33,946,300
19	Appropriated from:			
20	Federal revenues:			
21	DOJ			280,400
22	Special revenue funds:			
23	Law enforcement officers training fund			25,000
24	Marihuana regulatory fund			3,353,200
25	Michigan justice training fund			10,000,000
26	Private security licensing fees			5,000
27	Retired law enforcement officer safety fund			25,000
28	Secondary road patrol and training fund			855,000



1	State general fund/general purpose	\$	19,402,700
2	Sec. 110. GRANTS		
3	Firefighter training grants	\$	2,300,000
4	Liquor law enforcement grants		9,900,000
5	Marihuana operation and oversight grants		3,000,000
6	Michigan indigent defense commission grants		208,345,300
7	Remonumentation grants		6,800,000
8	Utility consumer representation		2,100,000
9	GROSS APPROPRIATION	\$	232,445,300
10	Appropriated from:		
11	Special revenue funds:		
12	Fireworks safety fund		2,300,000
13	Liquor license revenue		9,900,000
14	Local indigent defense reimbursement		300,000
15	Marihuana regulation fund		3,000,000
16	Survey and remonumentation fund		6,800,000
17	Utility consumer representation fund		2,100,000
18	State general fund/general purpose	\$	208,045,300
19	Sec. 111. INFORMATION TECHNOLOGY		
20	Information technology services and projects	\$	23,451,200
21	GROSS APPROPRIATION	\$	23,451,200
22	Appropriated from:		
23	Interdepartmental grant revenues:		
24	IDG revenues - administrative hearings and		
25	rules		1,313,900
26	Federal revenues:		
27	DOT, gas pipeline safety		139,600
28	EPA, underground storage tanks		91,400



1	HHS-Medicaid, certification of health care	
2	providers and suppliers	352,200
3	HHS-Medicare, certification of health care	
4	providers and suppliers	586,900
5	Special revenue funds:	
6	Aboveground storage tank fees	31,600
7	Accountancy enforcement fund	1,000
8	Boiler inspection fund	352,500
9	Construction code fund	1,208,900
10	Corporation fees	5,263,500
11	Elevator fees	460,400
12	Fire safety standard and enforcement fund	2,700
13	Fire service fees	492,500
14	Fireworks safety fund	66,600
15	Health professions regulatory fund	2,526,500
16	Health systems fees	333,500
17	Industrial hemp licensing and registration fund	3,700
18	Licensing and regulation fund	856,600
19	Liquor license revenue	214,300
20	Liquor purchase revolving fund	4,345,500
21	Marihuana registry fund	176,100
22	Marihuana regulation fund	1,117,100
23	Marihuana regulatory fund	501,100
24	Michigan unarmed combat fund	6,200
25	Mobile home code fund	186,600
26	Nurse aide and medication aide registration	
27	fund	6,400
28	PMECSEMA fund	62,600



1	Public utility assessments	1,845,400
2	Real estate appraiser education fund	900
3	Real estate education fund	3,900
4	Refined petroleum fund	215,100
5	Securities fees	421,200
6	Securities investor education and training fund	5,100
7	Survey and remonumentation fund	69,000
8	Tax tribunal fund	190,700
9	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 \$524,459,700.00 and total state spending under part 1 from state sources to be paid to local units of government is \$255,786,800.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

23	Firefighter training grants	\$ 2,300,000
24	In-service training	14,586,000
25	Justice training grants	10,000,000
26	Liquor law enforcement grants	9,900,000
27	Marihuana operation and oversight grants	3,000,000
28	Michigan indigent defense commission grants	208,345,300



1	Remonumentation grants	6,800,000
2	Training only to local units	855,500
3	TOTAL	\$ 255,786,800

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

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

8 (a) "Department" means the department of licensing and
9 regulatory affairs.

10 (b) "DHS" means the United States Department of Homeland
11 Security.

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

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

14 (e) "DOT" means the United States Department of
15 Transportation.

16 (f) "EPA" means the United States Environmental Protection
17 Agency.

18 (g) "FOIA" means the freedom of information act, 1976 PA 442,
19 MCL 15.231 to 15.246.

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

22 (i) "HHS" means the United States Department of Health and
23 Human Services.

24 (j) "IDG" means interdepartmental grant.

25 (k) "MCOLES" means the Michigan commission on law enforcement
26 standards.

27 (l) "MDIFS" means the Michigan department of insurance and
28 financial services.

29 (m) "PMECSEMA" means pain management education and controlled



1 substances electronic monitoring and antidiversion.

2 (n) "Standard report recipients" means the senate and house
3 appropriations subcommittees on licensing and regulatory affairs
4 and insurance and financial services, the senate and house fiscal
5 agencies, the senate and house policy offices, and the state budget
6 office.

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

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

15 (a) The funds must not be used for the purchase of foreign
16 goods or services, or both, if competitively priced and of
17 comparable quality American goods or services, or both, are
18 available.

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

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

26 Sec. 206. The department shall not take disciplinary action
27 against an employee of the department because the employee
28 communicates with a member of the legislature or legislative staff
29 unless the communication is prohibited by law and the department is



1 exercising its authority as provided by law.

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

12 (a) The dates of each travel occurrence.

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

18 Sec. 208. Not later than December 15, the state budget office
19 shall prepare and submit a report that provides estimates of the
20 total general fund/general purpose appropriation lapses at the
21 close of the previous fiscal year. The report must summarize the
22 projected year-end general fund/general purpose appropriation
23 lapses by major departmental program or program area. The state
24 budget office shall submit the report to the standard report
25 recipients and to the chairpersons of the senate and house
26 appropriations committees.

27 Sec. 209. (1) In addition to the funds appropriated in part 1,
28 there is appropriated an amount not to exceed \$1,000,000.00 for
29 federal contingency authorization. Amounts appropriated are not



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

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

10 Sec. 210. (1) The department shall cooperate with the
11 department of technology, management, and budget to maintain a
12 searchable website accessible by the public at no cost that
13 includes, but is not limited to, all of the following for the
14 department:

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

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

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

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

23 Sec. 211. Not later than 14 days after the release of the
24 executive budget recommendation, the department shall cooperate
25 with the state budget office to provide an annual report on
26 estimated state restricted fund balances, state restricted fund
27 projected revenues, and state restricted fund expenditures for the
28 previous 2 fiscal years. The report must be submitted to the
29 standard report recipients and to the chairpersons of the senate



1 and house appropriations committees.

2 Sec. 212. On a quarterly basis, the department shall report on
3 the number of full-time equated positions in pay status by civil
4 service classification, including a comparison by line item of the
5 number of full-time equated positions authorized from funds
6 appropriated in part 1 to the actual number of full-time equated
7 positions employed by the department at the end of the reporting
8 period. The report must be submitted to the standard report
9 recipients and to the senate and house appropriations committees.

10 Sec. 213. The department shall receive and retain copies of
11 all reports funded from appropriations in part 1. The department
12 shall follow federal and state law and guidelines for short-term
13 and long-term retention of records. The department may
14 electronically retain copies of reports unless otherwise required
15 by federal and state guidelines.

16 Sec. 214. Not later than April 1, the department shall report
17 on each specific policy change made to implement a public act
18 affecting the department that took effect during the previous
19 calendar year. The report must include reference to the public act
20 that necessitates the policy change. The department shall submit
21 the report to the standard report recipients, to the senate and
22 house appropriations committees, and to the joint committee on
23 administrative rules.

24 Sec. 215. To the extent possible, the department shall not
25 expend appropriations under part 1 until all existing authorized
26 work project funds available for the same purposes are exhausted.

27 Sec. 216. If the state administrative board, acting under
28 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
29 appropriated under part 1, the legislature may, by a concurrent



1 resolution adopted by a majority of the members elected to and
2 serving in each house, inter-transfer funds within part 1 for the
3 particular department, board, commission, officer, or institution.

4 Sec. 217. (1) From the funds appropriated in part 1, the
5 department shall do the following:

6 (a) Report to the standard report recipients and to the senate
7 and house appropriations committees any amounts of severance pay
8 for a department director, deputy director, or other high-ranking
9 department official not later than 14 days after a severance
10 agreement with the director, deputy director, or official is
11 signed. The name of the director, deputy director, or official and
12 the amount of severance pay must be included in the report required
13 by this subdivision.

14 (b) Not later than February 1, report on the total amount of
15 severance pay remitted to former department employees during the
16 prior fiscal year and the total number of former department
17 employees that were remitted severance pay during the prior fiscal
18 year.

19 (2) As used in this section, "severance pay" means
20 compensation to which both of the following apply:

21 (a) The compensation is payable or paid upon the termination
22 of employment.

23 (b) The compensation is paid in addition to wages or benefits
24 earned during the course of employment or generally applicable
25 retirement benefits.

26 Sec. 218. (1) The department shall maximize the efficiency of
27 the state workforce. The department shall prioritize employees
28 working in person 5 days per week for each division within the
29 department. Employees with job responsibilities that require the



1 employees to serve in their capacities outside of the office must
2 report to the office before beginning fieldwork. Field service
3 employees include, but are not limited to, protective services
4 workers, parole and probation officers, conservation officers,
5 state troopers assigned to road patrol, inspectors, and
6 construction and trade workers.

7 (2) The department shall establish a policy and process for
8 verifying that all employees are working their jobs during normal
9 business hours.

10 (3) The department shall provide information on employee badge
11 scanning when requested by a member of the legislature.

12 Sec. 219. (1) Funds appropriated in part 1 that are used for
13 grants or grant programs are subject to the following conditions:

14 (a) Grant funds are to be provided only to an entity that has
15 been established or is operating in this state or another state for
16 at least 36 months before approval or disbursement of grant funds.

17 (b) Grant funds are to be provided only to an entity that has
18 had an office within this state or in the service area covered
19 under the grant for at least 12 months before approval or
20 disbursement of grant funds.

21 (c) Before awarding or disbursing grant funds, all grant
22 recipients must provide a spending plan that specifies the scope of
23 service, the program goals, the measurement for meeting program
24 goals, and how all grant funds will be used and must indicate if
25 any grant funds will be provided to a third party or subrecipient.

26 (d) Up to 20% of grant funds may be spent on administrative
27 costs and salaries. Up to 10% is authorized for contingencies.

28 (e) Each department or agency responsible for awarding or
29 disbursing grant funds must annually audit the entity's use of the



1 grant funds for each fiscal year in which the grant is active. Each
2 entity must submit information requested by the department to
3 confirm compliance.

4 (f) Each department and agency shall work with the office of
5 the auditor general to conduct an audit of the grant according to
6 generally accepted accounting practices and audit standards. The
7 office of the auditor general must be given access to all internal
8 and external records. All contracts or agreements between a
9 department or agency and a grant recipient or between a grant
10 recipient and a third party must include a clause granting the
11 office of the auditor general access to all internal and external
12 records.

13 (g) Grant recipients and their immediate family members are
14 prohibited from being employed by the executive branch or
15 legislative branch of this state. In addition, grant recipients are
16 prohibited from serving on any state board that has direct or
17 indirect responsibility for approving or auditing grant funds
18 awarded or disbursed by any department or agency.

19 (h) Full and complete audits of grant funds issued by the
20 department or an agency of this state, without redaction unless
21 required by law, must be posted to the department's website in a
22 conspicuous place for public review.

23 (2) On a quarterly basis, the department shall submit a report
24 to the standard report recipients on legislatively sponsored grant
25 funds that includes, but is not limited to, all of the following:

26 (a) The name of each grant recipient and the status of each
27 grant.

28 (b) The amount distributed to each grant recipient.

29 (c) The remaining amount to be distributed to each grant



1 recipient.

2 (d) Any changes to scope or costs of program.

3 (3) The report under subsection (2) must include the following
4 statements made by the department:

5 (a) A statement that confirms the department reviewed and
6 affirmed compliance by each grant recipient to program scope and
7 expenditure of grant funding.

8 (b) A statement that confirms the department reviewed
9 applicable program reports and requests for reimbursement.

10 Sec. 220. (1) The department shall require as a condition of
11 each contract or subcontract that the prequalified contractor or
12 prequalified subcontractor agree to use the E-Verify system to
13 verify that all persons hired during the contract term by the
14 contractor or subcontractor are legally present and authorized to
15 work in the United States.

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

22 (3) The department shall not contract with any foreign
23 entities that are known or suspected to be enemies of the United
24 States or known foreign adversaries. Foreign adversaries include
25 all of the following:

26 (a) The People's Republic of China.

27 (b) The Russian Federation.

28 (c) The Islamic Republic of Iran.

29 (d) The Democratic People's Republic of Korea.



1 (e) The Republic of Cuba.

2 (f) The Venezuelan regime of Nicolás Maduro.

3 (g) The Syrian Arab Republic.

4 (h) An agency or other entity under significant control of a
5 country described in subdivisions (a) to (g).

6 (4) As used in this section, "E-Verify" means an internet-
7 based system operated by the Department of Homeland Security, U.S.
8 Citizenship and Immigration Services in partnership with the Social
9 Security Administration.

10 Sec. 221. Funds appropriated in part 1 from state or federal
11 sources are prohibited from being used to provide services, grants,
12 or programming to an individual who is not a citizen of the United
13 States, unless the individual is a qualified alien as that term is
14 defined in 8 USC section 1641. This section does not prohibit the
15 department, political subdivision, state university, or other state
16 agency from expending funds for the purpose of detaining
17 individuals who are not citizens of the United States, including
18 any costs associated with housing such individuals in county jails
19 or state correctional facilities.

20 Sec. 222. The department shall submit a quarterly report that
21 summarizes all work project accounts. The report must include all
22 of the following:

23 (a) A list of all work project accounts.

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

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



1 amounts.

2 Sec. 223. Total authorized appropriations from all sources
3 under part 1 for legacy costs for the fiscal year ending September
4 30, 2026 are estimated at \$27,633,000.00. From this amount, total
5 appropriations for pension-related legacy costs for the department
6 are estimated at \$24,923,300.00. Total appropriations for retiree
7 health care legacy costs for the department are estimated at
8 \$2,709,700.00.

9 Sec. 224. (1) The department shall maintain, on a publicly
10 accessible website, a department scorecard that identifies, tracks,
11 and updates on a quarterly basis key metrics that are used to
12 monitor and improve the department's performance.

13 (2) The department shall notify the standard report recipients
14 when the quarterly updates to the department scorecard are
15 available on a publicly accessible website.

16 Sec. 225. (1) Unless specifically authorized elsewhere in this
17 part or part 1, funds appropriated in part 1 must not be used to
18 pay for a state obligation that exceeds \$200,000.00 for a court-
19 approved judgment, settlement, award, or claim without prior
20 legislative approval.

21 (2) If a state obligation for a court-approved judgment,
22 settlement, award, or claim results in a change from current
23 statute, the department shall notify the legislature.

24 (3) This section does not apply to compensation and other
25 relief to individuals wrongfully imprisoned as required under the
26 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
27 to 691.1757.

28 Sec. 226. Not later than November 15, the department must
29 disclose on a publicly accessible website private and other third-



1 party funds received by the department in the previous fiscal year.
2 The report must include the amount of funding received, the
3 specific source of funding received, the purpose for which funding
4 was expended, and the amount of any remaining funds. The report
5 must be submitted to the standard report recipients and to the
6 chairpersons of the senate and house appropriations committees.

7 Sec. 227. State funds must not be used for diversity, equity,
8 and inclusion, or DEI, initiatives or programs, including
9 initiatives or programs outlined in Exec. Order No. 14151, 90 Fed.
10 Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government
11 DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg.
12 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology
13 Extremism and Restoring Biological Truth to the Federal
14 Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31,
15 2025) "Ending Illegal Discrimination and Restoring Merit-Based
16 Opportunity".

17 Sec. 228. Unless prohibited by law, the department may accept
18 credit card or other electronic means of payment for licenses,
19 fees, or permits.

20 Sec. 229. (1) The department may charge registration fees to
21 attendees of informational, training, or special events that are
22 sponsored by the department and related to activities under the
23 department's purview.

24 (2) The registration fees must reflect the costs for the
25 department to sponsor the informational, training, or special
26 events.

27 (3) Revenue generated by the registration fees is appropriated
28 on receipt and may be expended by the department to cover the
29 department's costs of sponsoring informational, training, or



1 special events.

2 (4) Revenue generated by registration fees in excess of the
3 department's costs of sponsoring informational, training, or
4 special events carries forward to the subsequent fiscal year and
5 does not lapse to the general fund.

6 (5) The amount appropriated under subsection (3) must not
7 exceed \$500,000.00.

8 Sec. 230. The department may provide to interested entities
9 otherwise unavailable customized listings of nonconfidential
10 information, such as the names and addresses of licensees, in the
11 department's possession. The department may establish and collect a
12 reasonable fee to provide this service. Revenue generated from this
13 service is appropriated on receipt and must be used to offset the
14 expenses of the service. Any balance of this revenue collected and
15 unexpended at the end of the fiscal year lapses to the appropriate
16 restricted fund.

17 Sec. 231. (1) The department shall sell documents at a price
18 not to exceed the cost of production and distribution. Money
19 received from the sale of these documents reverts to the
20 department. In addition to the funds appropriated in part 1, funds
21 received by the department under this subsection may be expended by
22 the department upon receipt by the department of treasury. This
23 subsection applies for only the following:

24 (a) Corporation and securities division documents, reports,
25 and papers required or permitted by law in accordance with section
26 1060(6) of the business corporation act, 1972 PA 284, MCL 450.2060.

27 (b) The Michigan liquor control code of 1998, 1998 PA 58, MCL
28 436.1101 to 436.2303.

29 (c) The mobile home commission act, 1987 PA 96, MCL 125.2301



1 to 125.2350; the business corporation act, 1972 PA 284, MCL
2 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162,
3 MCL 450.2101 to 450.3192; and the uniform securities act (2002),
4 2008 PA 551, MCL 451.2101 to 451.2703.

5 (d) Construction code manuals.

6 (e) Copies of transcripts from administrative law hearings.

7 (2) In addition to the funds appropriated in part 1, funds
8 appropriated for the department under sections 57, 58, and 59 of
9 the administrative procedures act of 1969, 1969 PA 306, MCL 24.257,
10 24.258, and 24.259, and section 203 of the legislative council act,
11 1986 PA 268, MCL 4.1203, are appropriated for all expenses
12 necessary to provide for the cost of publication and distribution.

13 (3) Unexpended funds at the end of the fiscal year carry
14 forward to the subsequent fiscal year and do not lapse to the
15 general fund.

16 Sec. 232. (1) Not later than December 31, the department shall
17 submit a report that pertains to licensing and regulatory programs
18 overseen by the following agencies:

19 (a) Liquor control commission.

20 (b) Bureau of fire services.

21 (c) Bureau of construction codes.

22 (d) Corporations, securities, and commercial licensing bureau.

23 (e) Bureau of professional licensing.

24 (f) Bureau of community and health systems.

25 (2) The report under subsection (1) must be in a format that
26 is consistent between the agencies listed in subsection (1) and
27 must provide, but is not limited to, the following information for
28 the previous fiscal year, as applicable, for each agency:

29 (a) Revenue generated by and expenditures disbursed for each



1 regulatory product.

2 (b) Revenue generated, by regulatory product or regulated
3 activity.

4 (c) The renewal cycle and amount of each fee charged.

5 (d) Number of initial applications.

6 (e) Number of initial applications denied.

7 (f) Number of license renewals.

8 (g) Average amount of time to approve or deny completed
9 applications.

10 (h) Number of examinations proctored for initial applications.

11 (i) A description of the types of complaints received.

12 (j) A description of the process used to resolve complaints.

13 (k) Number of complaints received.

14 (l) Number of complaints investigated.

15 (m) Number of complaints closed with no action.

16 (n) Number of complaints resulting in administrative actions
17 or citations.

18 (o) Average amount of time to complete investigations.

19 (p) Number of enforcement actions, including license
20 revocations, suspensions, and fines.

21 (q) A description of the types of enforcement actions taken
22 against licensees.

23 (r) Number of administrative hearing adjudications.

24 (3) An agency listed in subsection (1)(a) or (b) shall report
25 by regulated activity and an agency listed in subsection (1)(c),
26 (d), (e), or (f) shall report by regulatory product or regulated
27 activity, or both.

28 (4) As used in this section:

29 (a) "Regulated activity" means the particular activities,



1 entities, facilities, and industries regulated by the agencies
2 specified in subsection (1).

3 (b) "Regulatory product" means each occupation, profession,
4 trade, or program, which includes licensure, certification,
5 registration, inspection, review, permitting, approval, or any
6 other regulatory service provided by the agencies specified in
7 subsection (1) for each regulated activity.

8 Sec. 233. The department shall submit a report to the standard
9 report recipients by September 30 detailing any expenditure of
10 funds for a television or radio production that was made to a
11 third-party vendor in the fiscal year ending September 30, 2026.
12 The report must include the following information for each
13 expenditure:

14 (a) Total amount of the expenditure.

15 (b) Fund source for the expenditure.

16 (c) Name of any vendor that created the production and the
17 amount paid to each vendor.

18 (d) Purpose of the production.

19 Sec. 234. Pending litigation related to a licensee must not
20 delay investigations and licensing actions taken by the department
21 toward that licensee under its statutory authority, unless
22 otherwise prohibited by law.

23 Sec. 235. From the funds appropriated in part 1, the
24 department shall make accessible to the senate and house
25 appropriations subcommittees on licensing and regulatory affairs
26 and insurance and financial services, and post on a publicly
27 accessible website, a report describing materials that department
28 employees and contractors are required to review or complete as
29 part of their mandatory training, including mandatory examinations,



1 surveys, audio or visual recordings, and reading materials. All
2 current training materials and future trainings shall be made
3 available for review by members of the subcommittees or their
4 designees. Contract-based trainings from outside entities must
5 include allowing members of the subcommittees, or their designees,
6 to view the training materials. The report shall be updated and
7 resubmitted to the subcommittees when department training
8 requirements change.

9 Sec. 236. It is the intent of the legislature that the
10 department establish an employee performance monitoring process
11 that is consistent throughout the department, in addition to
12 current civil service commission evaluations. The department shall
13 submit quarterly reports to the standard report recipients on
14 changes to the employee performance monitoring process that are
15 planned or implemented, as well as the number of employee
16 evaluations performed.

17 Sec. 237. (1) From the funds appropriated in part 1 for
18 administrative services, the department shall expend not less than
19 \$250,000.00 to provide 1 hour of customer service and business
20 ethics training to each classified employee and 2 hours of customer
21 service and business ethics training to each unclassified employee.
22 This training must include, but is not limited to, instruction in
23 customer service professionalism, consumer support, and ethics in
24 business.

25 (2) Not later than November 3, the department shall submit a
26 report to the standard report recipients containing all of the
27 following information:

28 (a) The number of classified and unclassified employees that
29 received the customer service and business ethics training.



1 (b) A copy of the material that was presented in the customer
2 service and business ethics training.

3 (c) Information on the entity that provided the customer
4 service and business ethics training.

5 Sec. 238. The department shall allow the chairs, majority vice
6 chairs, and minority vice chairs of the senate and house
7 appropriations committees and the chairs, majority vice chairs, and
8 minority vice chairs of the senate and house subcommittees on
9 licensing and regulatory affairs and insurance and financial
10 services access to all facilities managed by the department at any
11 time Monday through Friday, 8 a.m. to 5 p.m.
12

13 **PUBLIC SERVICE COMMISSION**

14 Sec. 301. The public service commission administers the low-
15 income energy assistance grant program on behalf of the Michigan
16 department of health and human services via an interagency
17 agreement. Funds supporting the grant program are appropriated to
18 the department upon the awarding of grants and may be expended for
19 grant payments and administrative-related expenses incurred in the
20 operation of the grant program.

21 Sec. 302. (1) From the funds appropriated in part 1, the
22 Michigan public service commission shall conduct at least 4 public
23 hearings in this state. Subject to the requirements of this
24 section, if there is a city in this state with a population between
25 195,000 and 700,000 according to the most recent federal decennial
26 census, a public hearing required under this section must be
27 conducted in that city.

28 (2) Not later than September 30, the Michigan public service
29 commission shall submit a report to the standard report recipients



1 that details the outcomes of the 4 public hearings required under
2 this section and summarizes the public comments that were received
3 during the public hearings.

4
5 **LIQUOR CONTROL COMMISSION**

6 Sec. 401. (1) From the funds appropriated in part 1 from the
7 direct shipper enforcement revolving fund, the liquor control
8 commission shall expend the funds as required under section 203(11)
9 of the Michigan liquor control code of 1998, 1998 PA 58, MCL
10 436.1203, to investigate and audit unlawful direct shipments of
11 wine by unlicensed wineries and retailers, with priority directed
12 toward unlicensed out-of-state retailers and third-party marketers.
13 In addition to other investigative methods, the commission shall
14 use shipping records available to the commission under section
15 203(21) of the Michigan liquor control code of 1998, 1998 PA 58,
16 MCL 436.1203, to assist with the effort to investigate and audit
17 unlawful direct shipments of wine by unlicensed wineries and
18 retailers. The liquor control commission shall refer all identified
19 unlicensed out-of-state retailers and third-party marketers to the
20 attorney general.

21 (2) Not later than February 1, the liquor control commission
22 shall provide a report to the legislature and to the standard
23 report recipients that details the commission's activities to
24 investigate and audit the illegal shipping of wine and the results
25 of the activities. The report must include all of the following:

26 (a) Work hours spent, specific actions performed, and the
27 number of full-time equated positions dedicated to identifying and
28 stopping unlicensed out-of-state retailers, third-party marketers,
29 and wineries that ship illegally in Michigan.



1 (b) General overview of expenditures associated with efforts
 2 to identify and stop unlicensed out-of-state retailers, third-party
 3 marketers, and wineries that ship illegally in Michigan.

4 (c) Number of out-of-state entities found to have illegally
 5 shipped wine into Michigan and total number of 750 ml bottles,
 6 number of cases with 750 ml bottles, number of liters, number of
 7 gallons, or weight of illegally shipped wine. These items must be
 8 itemized by total number of retailers and total number of wineries.

9 (d) Suggested areas of focus on how to address direct shipper
 10 enforcement and illegal importation in the future.

11 (3) From the funds appropriated in part 1 from the direct
 12 shipper enforcement revolving fund, the liquor control commission
 13 shall send a notice to each unlicensed out-of-state entity found to
 14 have illegally shipped wine into Michigan. The notice must include
 15 all of the following statements:

16 (a) That shipping wine into Michigan by unlicensed out-of-
 17 state retailers and third-party marketers is illegal, and wineries
 18 shipping into Michigan must obtain a direct shipper license.

19 (b) That under section 909 of the Michigan liquor control code
 20 of 1998, 1998 PA 58, MCL 436.1909, making unlawful shipments of
 21 wine into Michigan may be a felony punishable by imprisonment for
 22 not more than 4 years or a fine of not more than \$5,000.00, or
 23 both.

24 (c) That the matter has been referred to the attorney general.
 25

26 **OCCUPATIONAL REGULATION**

27 Sec. 501. The department shall not expend the funds
 28 appropriated under this part and part 1 for the bureau of fire
 29 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

<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed

Plan review and construction inspection fees for
hospitals and schools

<u>Project cost range</u>	<u>Fee</u>
\$101,000.00 or less	minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00
\$10,000,001.00 or more	\$1.10 per \$1,000.00
	or a maximum fee of \$60,000.00.

Sec. 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



1 by the bureau of construction codes, the bureau of professional
2 licensing, and the corporations, securities, and commercial
3 licensing bureau during the previous fiscal year.

4 (b) The specific fees and total amount of revenue exempted
5 under each licensure or regulatory program administered by the
6 bureau of construction codes, the bureau of professional licensing,
7 and the corporations, securities, and commercial licensing bureau
8 during the previous fiscal year.

9 (c) The actual costs of providing licensing and other
10 regulatory services to veterans exempted from paying licensure,
11 registration, filing, or any other fees during the previous fiscal
12 year and a description of how the actual costs were calculated.

13 (d) The estimated amount of revenue that will be exempted
14 under each licensure or regulatory program administered by the
15 bureau of construction codes, the bureau of professional licensing,
16 and the corporations, securities, and commercial licensing bureau
17 in both the current and subsequent fiscal years and a description
18 of how the exempted revenue was estimated.

19 Sec. 504. Revenue collected by the department for health
20 systems administration from fees and collections that exceeds the
21 amount appropriated in part 1 may be carried forward into the
22 subsequent fiscal year. The revenue carried forward under this
23 section must be used as the first source of funds in the subsequent
24 fiscal year.

25 Sec. 505. (1) To defray the costs associated with responding
26 to false final inspection appointments and to discourage the
27 practice of calling for final inspections when a project is
28 incomplete or noncompliant with a plan of correction previously
29 provided by the bureau of fire services, the bureau of fire



1 services may assess a fee of not more than \$200.00 for responding
2 to a second or subsequent confirmed false inspection appointment.
3 Fees collected under this section must be deposited into the
4 restricted account described in section 2c of the fire prevention
5 code, 1941 PA 207, MCL 29.2c, and explicitly identified within the
6 statewide integrated governmental management applications system.

7 (2) Not later than September 30, the department shall submit a
8 report to the standard report recipients that provides all of the
9 following:

10 (a) The amount of the fee assessed under subsection (1).

11 (b) The number of fees assessed and issued per region.

12 (c) The cost allocation for the work performed and reduced as
13 a result of this section.

14 (d) Any recommendations for consideration by the legislature.

15 Sec. 506. Not later than November 30, the department shall
16 submit a report to the standard report recipients on the Michigan
17 automated prescription system. The report must include, but is not
18 limited to, the total number of all of the following:

19 (a) Licensed health professionals registered to the Michigan
20 automated prescription system.

21 (b) Dispensers registered to the Michigan automated
22 prescription system.

23 (c) Prescribers using the Michigan automated prescription
24 system.

25 (d) Dispensers using the Michigan automated prescription
26 system.

27 (e) Cases related to overprescribing, overdispensing, and drug
28 diversion where the department took administrative action because
29 of information and data generated from the Michigan automated



1 prescription system.

2 (f) Hospitals, doctor's offices, pharmacies, and other health
3 facilities that have integrated the Michigan automated prescription
4 system into the facility's electronic health records systems.

5 (g) Delegate users registered to the Michigan automated
6 prescription system.

7 Sec. 507. (1) From the funds appropriated in part 1 for bureau
8 of construction codes, not less than \$900,000.00 must be allocated
9 for additional inspections and enforcement activities related to
10 the carnival-amusement safety act of 1966, 1966 PA 225, MCL 408.651
11 to 408.670, and the ski area safety act of 1962, 1962 PA 199, MCL
12 408.321 to 408.344.

13 (2) Not later than March 30, the department shall submit a
14 report to the standard report recipients that details the
15 allocation of funds under this section. The report must include an
16 itemized listing of how the funds were used.

17 Sec. 508. Funds remaining in the homeowner construction lien
18 recovery fund are appropriated to the department for payment of
19 court-ordered homeowner construction lien recovery fund judgments
20 entered before August 23, 2010. Subject to available funds, the
21 payment of final judgments must be made in the order in which the
22 final judgments were entered and began accruing interest.

23 Sec. 509. From the funds appropriated in part 1 for the bureau
24 of fire services, in accordance with the requirements under section
25 21c of the fire prevention code, 1941 PA 207, MCL 29.21c, the
26 bureau shall perform or work in cooperation with local units of
27 government to perform inspections at places of public assembly that
28 pose the highest risk to occupants for injury or fatality based on
29 the size, density, or the nature of activities performed within the



1 facility.

2 Sec. 510. From the funds appropriated in part 1 for bureau of
3 survey and certification, the department shall submit a report
4 pertaining to bureau activities, including surveys and
5 investigations of nursing homes, to the standard report recipients
6 not later than March 30.

7 Sec. 511. The department shall not enforce any directive
8 requiring the masking of children less than 5 years of age and
9 shall not take any licensing or administrative action against any
10 licensee for failure to enforce or require the masking of children
11 less than 5 years of age.

12 Sec. 512. Not later than February 1, the department shall
13 submit a report to the standard report recipients providing the
14 following information:

15 (a) The total amount of reimbursements made to local units of
16 government for delegated inspections of fireworks retail locations
17 pursuant to section 11 of the Michigan fireworks safety act, 2011
18 PA 256, MCL 28.461, from the funds appropriated in part 1 for the
19 bureau of fire services during the preceding fiscal year.

20 (b) The amount of reimbursement for delegated inspections of
21 fireworks retail locations for each local unit of government that
22 received reimbursement from the funds appropriated in part 1 for
23 the bureau of fire services during the preceding fiscal year.

24 Sec. 513. From the amount appropriated in part 1 for bureau of
25 community and health systems administration, upon receipt of the
26 order of suspension of a licensed adult foster care home, home for
27 the aged, or nursing home, the department shall serve the facility
28 and provide contemporaneous notice to the offices of legislators
29 representing a district where the licensed facility is situated and



1 to the senate and house subcommittees on health and human services.

2 Sec. 514. From the funds appropriated in part 1 for bureau of
3 professional licensing, the department must expend not less than
4 \$200,000.00 for grants to a professional accounting association for
5 the maintenance and operation of the continuing professional
6 education tracker and web portal.

7 Sec. 515. From the funds appropriated in part 1 for bureau of
8 professional licensing, the department must expend not less than
9 \$400,000.00 for grants to a professional realtors association for
10 the tracking and approval of continuing education credits.

11 Sec. 516. (1) From the funds appropriated in part 1 for bureau
12 of fire services, the bureau of fire services shall expend not less
13 than \$1,000,000.00 for the purchasing and distribution of sealed-
14 battery smoke detectors to the residents of this state. The bureau
15 of fire services may purchase smoke detectors with additional
16 capabilities for individuals with physical or psychological
17 conditions that require an accommodative technology.

18 (2) Not later than September 30, the department shall submit a
19 report to the standard report recipients that contains all of the
20 following information:

21 (a) The number of smoke detectors that the bureau of fire
22 services purchased.

23 (b) The per-unit price that the bureau paid for the smoke
24 detectors.

25 (c) An itemized list of all cities, villages, or townships
26 that received smoke detectors and the number of smoke detectors
27 distributed to each city, village, or township.

28
29 **CANNABIS REGULATORY AGENCY**



1 Sec. 601. Not later than January 31, the department shall
2 submit a comprehensive report to the standard report recipients for
3 all marihuana programs administered by the cannabis regulatory
4 agency. This report must include, but is not limited to, all of the
5 following information for the previous fiscal year regarding the
6 marihuana programs under the Michigan Medical Marihuana Act, 2008
7 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities
8 licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the
9 Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL
10 333.27951 to 333.27967:

11 (a) The number of initial applications received, by license
12 category.

13 (b) The number of initial applications approved and the number
14 of initial applications denied, by license category.

15 (c) The average amount of time, from receipt to approval or
16 denial, to process an initial application, by license category.

17 (d) The number of renewal applications approved, by license
18 category and by county.

19 (e) The number of renewal applications received, by license
20 category and by county, if applicable.

21 (f) The number of renewal applications denied, by license
22 category and by county.

23 (g) The average amount of time, from receipt to approval or
24 denial, to process a renewal application, by license category, if
25 applicable.

26 (h) The percentage of initial applications not approved or
27 denied within the time requirements established in the respective
28 act, by license category, if applicable.

29 (i) The percentage of renewal applications not approved or



1 denied within the time requirements established in the respective
2 act, by license category, if applicable.

3 (j) The total amount collected from application fees or
4 established regulatory assessment and the specific fund the amount
5 is deposited into, by license category.

6 (k) The costs of administering the licensing program under
7 each act.

8 (l) The registered names and addresses of all facilities
9 licensed under each act, by license category and by county.

10 (m) The number of complaints received pertaining to each act,
11 by license type or regulatory activity.

12 (n) A description of the types of complaints received.

13 (o) A description of the process used to resolve complaints.

14 (p) The number of investigations opened pertaining to each
15 license category.

16 (q) The number of investigations closed pertaining to each
17 license category.

18 (r) The average amount of time to complete investigations
19 pertaining to each license category.

20 (s) The number of enforcement actions pertaining to each
21 license category.

22 (t) A description of the types of enforcement actions taken
23 against licensees.

24 (u) The number of administrative-hearing adjudications
25 pertaining to each license type.

26 (v) A list of the fees charged for license applications,
27 license renewals, and registry cards.

28 Sec. 602. From the funds appropriated in part 1, the cannabis
29 regulatory agency shall post on a publicly accessible website a



1 list of all of the following:

2 (a) The number of investigative reports that identify
3 violations of the Michigan Medical Marihuana Act, 2008 IL 1, MCL
4 333.26421 to 333.26430, the medical marihuana facilities licensing
5 act, 2016 PA 281, MCL 333.27101 to 333.27801, or the Michigan
6 Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951
7 to 333.27967, or violations of administrative rules promulgated
8 under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421
9 to 333.26430, the medical marihuana facilities licensing act, 2016
10 PA 281, MCL 333.27101 to 333.27801, or the Michigan Regulation and
11 Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.

12 (b) The number of investigative reports that identify
13 suspected marihuana product that does not have the tracking numbers
14 assigned by the statewide monitoring system affixed, tagged, or
15 labeled as required by law.

16 (c) The number of complaints filed by the public with the
17 agency that concern either of the following:

18 (i) Marihuana product that does not have the tracking numbers
19 assigned by the statewide monitoring system affixed, tagged, or
20 labeled as required by law.

21 (ii) Unlicensed commercial production or sale of delta-8 THC.

22 (d) The number and outcome of all agency disciplinary
23 proceedings initiated against any licensee subject to the reports
24 or complaints in subdivisions (a), (b), and (c).

25 (e) The number of reports the agency referred to the
26 department of state police or other appropriate law enforcement
27 agency.

28 (f) For any licensee subject to disciplinary proceedings
29 initiated by the agency:



1 (i) Name of the licensee.

2 (ii) Description of the allegation.

3 (iii) Complaint type.

4 (iv) Process used to resolve the allegation.

5 (v) Name of the law enforcement agency the allegation was
6 referred to, including the date of the referral.

7 (vi) Fines or other penalties issued.

8 Sec. 603. Not later than January 31, the department shall
9 submit a comprehensive report to the standard report recipients for
10 all hemp programs administered by the cannabis regulatory agency.
11 The report must include, but is not limited to, all of the
12 following:

13 (a) The total amount of fees collected by the cannabis
14 regulatory agency from regulatory and licensing activities related
15 to hemp and hemp processor-handlers.

16 (b) The total cost of administering hemp regulatory and
17 licensing programs.

18 (c) The total number of hemp processor-handlers and any other
19 hemp licensees licensed in this state, by county.

20 (d) A list and description of any fees that the cannabis
21 regulatory agency assesses on hemp licensees.

22 Sec. 604. The cannabis regulatory agency shall not exhibit
23 undue partiality toward or bias against any licensee.

24 Sec. 605. (1) From the funds appropriated in part 1 for
25 cannabis regulatory agency enforcement, not more than \$5,000,000.00
26 is allocated for the cannabis regulatory agency for actions to
27 investigate and regulate the cannabis black market in this state.
28 This includes, but is not limited to, actions designed to curtail
29 the following:



1 (a) Marihuana grown or produced at an unlicensed facility
2 being inserted into the regulated market.

3 (b) Marihuana grown or produced at an out-of-state source
4 being inserted into the regulated market.

5 (c) Synthetic marihuana products being sold at gas stations
6 and smoke shops, including products synthesized from legal hemp
7 products.

8 (2) From the remaining funds appropriated in part 1 for
9 cannabis regulatory agency enforcement, each city, village, and
10 township shall receive a distribution proportional to the amount of
11 licensed marihuana facilities operating in their community. These
12 funds must be utilized to curtail the amount of fentanyl in their
13 community.

14
15 **COMMISSIONS**

16 Sec. 801. If Byrne formula grant funding is awarded to the
17 Michigan indigent defense commission created under section 5 of the
18 Michigan indigent defense commission act, 2013 PA 93, MCL 780.985,
19 the Michigan indigent defense commission may receive and expend
20 Byrne formula grant funds as an interdepartmental grant from the
21 department of state police. The Michigan indigent defense
22 commission may receive and expend federal grant funds from the
23 United States Department of Justice.

24 Sec. 802. From the funds appropriated in part 1, not later
25 than September 30, the Michigan indigent defense commission shall
26 submit a report to the standard report recipients on the
27 incremental costs associated with the standard development process,
28 the compliance plan process, and the collection of data from all
29 indigent defense systems and attorneys providing indigent defense.



1 The Michigan indigent defense commission shall place particular
2 emphasis on the costs that may be avoided after standards are
3 developed and compliance plans are in place.

4 Sec. 803. Not later than March 1, the Michigan indigent
5 defense commission shall submit a report to the standard report
6 recipients that contains all of the following:

7 (a) A detailed explanation of the total cost calculation for
8 each indigent defense standard for which grant recipients are
9 receiving state grant funding. The explanation must include a
10 comprehensive itemization of the types of costs included for each
11 standard.

12 (b) An itemized listing of how much funding each grant
13 recipient is receiving for each indigent defense standard.

14 (c) An explanation of the specific causal factors associated
15 with any increase or decrease of Michigan indigent defense
16 commission grant funding from the previous fiscal year level.

17 Sec. 804. From the funds appropriated in part 1, the Michigan
18 indigent defense commission shall notify the standard report
19 recipients not more than 60 days after the adoption of any new
20 indigent defense standard. The notification must include an
21 estimated cost projection to fund the adopted indigent defense
22 standard for the initial and subsequent fiscal years.

23 Sec. 805. A grant distributed by the Michigan indigent defense
24 commission must not be used by an indigent defense system to
25 support any construction expenses for a new structure. This section
26 does not prohibit expenditures for renovations to existing
27 structures, if such a renovation is part of an indigent defense
28 system's approved compliance plan.

29 Sec. 806. A grant distributed by the Michigan indigent defense



1 commission must not be used to provide criminal defense services to
2 individuals who are not citizens of the United States, unless the
3 individual is a qualified alien as that term is defined under 8 USC
4 section 1641.

5 Sec. 807. From the unexpended and unencumbered funds
6 appropriated for the Michigan indigent defense commission in 2021
7 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 that were
8 designated as work project appropriations, the department shall
9 work with the state budget director to lapse a total of
10 \$2,049,000.00. The \$2,049,000.00 in work project lapse funds must
11 be made available for expenditure by the state appellate defender
12 office to support costs of ensuring this state's compliance with
13 *People v Czarnecki*, ___ Mich ___ (2025), and *People v Taylor*, ___
14 Mich ___ (2025), by providing competent, resourced, and supervised
15 counsel in cases that involve resentencing individuals who are
16 serving a life sentence for an offense committed when the
17 individuals were 19 or 20 years of age.

18
19 **MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

20 Sec. 901. (1) MCOLES shall establish standards for the
21 selection, employment, training, education, licensing, and
22 licensure revocation of all law enforcement officers and provide
23 the basic law enforcement training curriculum for law enforcement
24 training academy programs statewide.

25 (2) MCOLES shall maintain staffing and resources necessary to
26 update law enforcement standards within 120 days of the enactment
27 date of any new legislation.

28 (3) From the funds appropriated in part 1, MCOLES, by March 1,
29 shall submit a report to the standard report recipients that



1 includes a summary of MCOLES activities during the prior calendar
2 year. The report required under this subsection must include, but
3 is not limited to, both of the following pieces of information:

4 (a) An account of the distribution of training funds
5 administered by MCOLES.

6 (b) A list of recipients that received training funds under
7 subdivision (a) and the amount received by each recipient and for
8 what purpose it was used.

9 Sec. 902. The general fund/general purpose funds appropriated
10 in part 1 for the public safety officers benefit fund must be
11 deposited into the public safety officers benefit fund created in
12 section 3 of the public safety officers benefit act, 2004 PA 46,
13 MCL 28.633. All funds in the public safety officers benefit fund
14 are appropriated and available for expenditure in accordance with
15 section 3 of the public safety officers benefit act, 2004 PA 46,
16 MCL 28.633.

17 Sec. 903. Funds appropriated in part 1 for in-service training
18 must be deposited into the law enforcement officers training fund
19 created in section 11(7) of the Michigan commission on law
20 enforcement standards act, 1965 PA 203, MCL 28.611. All funds in
21 the law enforcement officers training fund are appropriated and
22 available for expenditure to support the implementation of required
23 annual in-service training standards for all licensed law
24 enforcement officers, in accordance with rules promulgated under
25 section 11(2) of the Michigan commission on law enforcement
26 standards act, 1965 PA 203, MCL 28.611.

27
28 **GRANTS**

29 Sec. 1001. (1) From the funds appropriated in part 1 for



1 marihuana operation and oversight grants, the department shall
2 expend the funds for grants to counties for education and outreach
3 programs that relate to the Michigan medical marihuana program and
4 the adult-use marihuana program, in accordance with section 6(l) of
5 the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426, and
6 section 14 of the Michigan Regulation and Taxation of Marihuana
7 Act, 2018 IL 1, MCL 333.27964. The grant funds may be generated
8 from application and license fees authorized under section 8(1)(b)
9 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL
10 1, MCL 333.27958. The grants must be distributed proportionately
11 based on the number of registry identification cards issued to or
12 renewed for the residents of each county that applied for a grant
13 under subsection (2). For the purposes of this subsection,
14 operation and oversight grants are for education, communication,
15 and outreach regarding the Michigan Medical Marihuana Act, 2008 IL
16 1, MCL 333.26421 to 333.26430, and the Michigan Regulation and
17 Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.
18 Grants provided under this section must not be used for law
19 enforcement purposes.

20 (2) Not later than December 1, the department shall post a
21 listing of potential grant funds available to each county on the
22 department's website. In addition, the department shall work
23 collaboratively with counties regarding the availability of the
24 grant funds. A county that requests grant funds shall apply on a
25 form developed by the department and available on the department's
26 website. The form must contain the county's specific projected plan
27 for use of the grant funds and its agreement to maintain all
28 records and to submit documentation to the department to support
29 the use of the grant funds.



1 (3) To be eligible to receive a grant under subsection (1), a
2 county shall apply not later than January 1 and submit a report to
3 the department not later than September 15 on how the grant was
4 expended. The department shall submit a report to the standard
5 report recipients not later than October 15 of the subsequent
6 fiscal year that details the grant amounts by recipient and the
7 reported uses of the grants in the previous fiscal year.

8 Sec. 1002. (1) The funds appropriated in part 1 for
9 firefighter training grants must be expended only for payments to
10 counties to reimburse organized fire departments for firefighter
11 training and other activities required under the firefighters
12 training council act, 1966 PA 291, MCL 29.361 to 29.377.

13 (2) If the funds appropriated in part 1 for firefighter
14 training grants are expended by the firefighters training council
15 created under section 3 of the firefighters training council act,
16 1966 PA 291, MCL 29.363, for payments to counties under section 14
17 of the firefighters training council act, 1966 PA 291, MCL 29.374,
18 all of the following apply to the extent otherwise permissible by
19 law:

20 (a) The funds appropriated in part 1 for firefighter training
21 grants must be allocated in accordance with section 14(2) of the
22 firefighters training council act, 1966 PA 291, MCL 29.374.

23 (b) If the funds allocated to any county under subdivision (a)
24 are less than \$5,000.00, the funds allocated to each county under
25 subdivision (a) must be adjusted to provide for a minimum payment
26 of \$5,000.00 to each county.

27 (3) Not later than February 1, the department shall submit a
28 financial report to the standard report recipients that identifies
29 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.

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	1,051.0
--	---------

GROSS APPROPRIATION	\$ 295,039,600
----------------------------	-----------------------

Interdepartmental grant revenues:



1	Total interdepartmental grants and		
2	intradepartmental transfers		101,800
3	ADJUSTED GROSS APPROPRIATION	\$	294,937,800
4	Federal revenues:		
5	Total federal revenues		142,464,800
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		100,000
9	Total other state restricted revenues		13,221,400
10	State general fund/general purpose	\$	139,151,600
11	Sec. 102. MILITARY		
12	Full-time equated unclassified positions	9.0	
13	Full-time equated classified positions	418.5	
14	Unclassified salaries--FTEs	9.0	\$ 1,823,400
15	Headquarters and armories--FTEs	103.0	22,533,800
16	Michigan National Guard child care assistance--		
17	FTEs	4.0	2,322,000
18	Michigan National Guard member healthcare		
19	reimbursement		1,640,000
20	Michigan National Guard tuition assistance		
21	fund--FTEs	3.5	7,277,500
22	Michigan youth challenge academy--FTEs	68.0	10,340,500
23	Military family relief fund		150,000
24	Military retirement		2,585,600
25	Military training sites and support facilities--		
26	-FTEs	240.0	45,928,900
27	National Guard operations		600,500
28	Office of defense and aerospace innovation		5,000,000



1	GROSS APPROPRIATION		\$ 100,202,200
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG - state police		101,800
5	Federal revenues:		
6	DOD - DOA - NGB		61,368,100
7	Federal counternarcotics revenues		100,000
8	Special revenue funds:		
9	Private donations		90,000
10	Billeting fund		1,378,200
11	Military family relief fund		150,000
12	Morale, welfare, and recreation fund		100,000
13	National Guard facilities rental fund		187,500
14	National Guard test projects fund		100,000
15	State general fund/general purpose	\$	36,626,600
16	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
17	Full-time equated classified positions	61.0	
18	County veteran service grants--FTEs	2.0	\$ 4,253,300
19	Michigan veterans affairs agency		
20	administration--FTEs	49.0	10,150,600
21	Veterans service grants--FTEs	2.0	4,253,300
22	Veterans trust fund administration--FTEs	8.0	1,175,300
23	Veterans trust fund grants		2,500,000
24	GROSS APPROPRIATION	\$	22,332,500
25	Appropriated from:		
26	Federal revenues:		
27	USDVA - VHA		750,000
28	Special revenue funds:		



1	Private donations		10,000
2	Michigan veterans trust fund		3,675,300
3	Michigan veterans engagement fund		50,000
4	State general fund/general purpose	\$	17,847,200
5	Sec. 104. MICHIGAN VETERANS' FACILITY AUTHORITY		
6	Full-time equated classified positions	571.5	
7	Chesterfield Township home for veterans--FTEs	115.0	\$ 32,511,400
8	D.J. Jacobetti home for veterans--FTEs	200.0	25,927,700
9	Grand Rapids home for veterans--FTEs	238.0	38,827,500
10	Information technology services and projects		1,474,100
11	Michigan veteran homes administration--FTEs	18.0	4,622,600
12	Veterans cemetery--FTEs	0.5	90,200
13	GROSS APPROPRIATION	\$	103,453,500
14	Appropriated from:		
15	Federal revenues:		
16	USDVA - VHA		39,864,200
17	HHS-HCFA, Medicare, hospital insurance		1,754,700
18	HHS-HCFA, title XIX, Medicaid		8,469,900
19	Special revenue funds:		
20	Income and assessments		6,580,400
21	State general fund/general purpose	\$	46,784,300
22	Sec. 105. CAPITAL OUTLAY		
23	Armory maintenance	\$	1,000,000
24	Land and acquisitions		1,000,000
25	Special maintenance - National Guard		30,000,000
26	Special maintenance - veterans' facilities		500,000
27	GROSS APPROPRIATION	\$	32,500,000
28	Appropriated from:		



1	Federal revenues:		
2	DOD - DOA - NGB		30,000,000
3	Special revenue funds:		
4	Michigan National Guard construction fund		1,000,000
5	State general fund/general purpose	\$	1,500,000
6	Sec. 106. INFORMATION TECHNOLOGY		
7	Information technology services and projects	\$	551,400
8	GROSS APPROPRIATION	\$	551,400
9	Appropriated from:		
10	Federal revenues:		
11	DOD - DOA - NGB		157,900
12	State general fund/general purpose	\$	393,500
13	Sec. 107. ONE-TIME APPROPRIATIONS		
14	Selfridge Air National Guard base	\$	26,000,000
15	State veterans cemetery		5,000,000
16	Veterans nonprofit improvement grants		5,000,000
17	GROSS APPROPRIATION	\$	36,000,000
18	Appropriated from:		
19	State general fund/general purpose	\$	36,000,000

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 \$152,373,000.00 and total state spending under part 1 from state sources to be paid to local units of government is \$4,389,800.00.



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	\$	4,253,300
Michigan veterans affairs agency administration		90,000
Military training sites and support facilities		46,500
TOTAL	\$	4,389,800

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) "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.



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

5 (l) "USDVA" means the United States Department of Veterans
6 Affairs.

7 (m) "USDVA-VHA" means the USDVA Veterans Health
8 Administration.

9 (n) "VSO" means veterans service organization.

10 (o) "Veterans' facility" means that term as defined in section
11 2 of the Michigan veterans' facility authority act, 2016 PA 560,
12 MCL 36.102.

13 (p) "Work project" means that term as defined in section 404
14 of the management and budget act, 1984 PA 431, MCL 18.1404, and
15 that meets the criteria in section 451a(1) of the management and
16 budget act, 1984 PA 431, MCL 18.1451a.

17 Sec. 204. If the state administrative board, acting under
18 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
19 appropriated under part 1, the legislature may, by a concurrent
20 resolution adopted by a majority of the members elected to and
21 serving in each house, inter-transfer funds within part 1 for the
22 particular department, board, commission, officer, or institution.

23 Sec. 205. The department shall not take disciplinary action
24 against an employee of the department because the employee
25 communicates with a member of the legislature or legislative staff
26 unless the communication is prohibited by law and the department is
27 exercising its authority as provided by law.

28 Sec. 206. To the extent permissible under section 261 of the
29 management and budget act, 1984 PA 431, MCL 18.1261, all of the



1 following apply to the expenditure of funds appropriated in part 1:

2 (a) The funds must not be used for the purchase of foreign
3 goods or services, or both, if competitively priced and of
4 comparable quality American goods or services, or both, are
5 available.

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

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

13 Sec. 207. The department shall use the internet to fulfill the
14 reporting requirements of this part. This requirement includes
15 transmitting reports to the standard report recipients and any
16 other required recipients by email and posting the reports on an
17 internet site.

18 Sec. 208. The department shall receive and retain copies of
19 all reports funded from appropriations in part 1. The department
20 shall follow federal and state law and guidelines for short-term
21 and long-term retention of records. The department may
22 electronically retain copies of reports unless otherwise required
23 by federal and state guidelines.

24 Sec. 209. Not later than December 15, the state budget office
25 shall prepare and submit a report that provides estimates of the
26 total general fund/general purpose appropriation lapses at the
27 close of the previous fiscal year. The report must summarize the
28 projected year-end general fund/general purpose appropriation
29 lapses by major departmental program or program area. The state



1 budget office shall submit the report to the standard report
2 recipients and to the chairpersons of the senate and house
3 appropriations committees.

4 Sec. 210. Not later than 14 days after the release of the
5 executive budget recommendation, the department shall cooperate
6 with the state budget office to provide an annual report on
7 estimated state restricted fund balances, state restricted fund
8 projected revenues, and state restricted fund expenditures for the
9 previous 2 fiscal years. The report must be submitted to the
10 standard report recipients and to the chairpersons of the senate
11 and house appropriations committees.

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

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

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

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

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

25 Sec. 212. Consistent with section 217 of the management and
26 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
27 a report on out-of-state travel expenses not later than January 1.
28 The report must list all travel outside this state by classified
29 and unclassified employees in the previous fiscal year that was



1 funded in whole or in part with funds appropriated in the
2 department's budget. The department shall submit the report to the
3 standard report recipients and to the senate and house
4 appropriations committees. The report must include the following
5 information:

6 (a) The dates of each travel occurrence.

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

12 Sec. 213. On a quarterly basis, the department shall report on
13 the number of full-time equated positions in pay status by civil
14 service classification, including a comparison by line item of the
15 number of full-time equated positions authorized from funds
16 appropriated in part 1 to the actual number of full-time equated
17 positions employed by the department at the end of the reporting
18 period. The report must be submitted to the standard report
19 recipients and to the senate and house appropriations committees.

20 Sec. 214. Not later than April 1, the department shall report
21 on each specific policy change made to implement a public act
22 affecting the department that took effect during the previous
23 calendar year. The report must include reference to the public act
24 that necessitates the policy change. The department shall submit
25 the report to the standard report recipients, the senate and house
26 appropriations committees, and the joint committee on
27 administrative rules.

28 Sec. 215. (1) From the funds appropriated in part 1, the
29 department shall do the following:



1 (a) Report to the standard report recipients and to the senate
2 and house appropriations committees any amounts of severance pay
3 for a department director, deputy director, or other high-ranking
4 department official not later than 14 days after a severance
5 agreement with the director, deputy director, or official is
6 signed. The name of the director, deputy director, or official and
7 the amount of severance pay must be included in the report required
8 by this subdivision.

9 (b) Not later than February 1, report on the total amount of
10 severance pay remitted to former department employees during the
11 prior fiscal year and the total number of former department
12 employees that were remitted severance pay during the prior fiscal
13 year.

14 (2) As used in this section, "severance pay" means
15 compensation to which both of the following apply:

16 (a) The compensation is payable or paid upon the termination
17 of employment.

18 (b) The compensation is paid in addition to wages or benefits
19 earned during the course of employment or generally applicable
20 retirement benefits.

21 Sec. 216. (1) The department shall maximize the efficiency of
22 the state workforce. The department shall prioritize employees
23 working in person 5 days per week for each division within the
24 department. Employees with job responsibilities that require the
25 employees to serve in their capacities outside of the office must
26 report to the office before beginning field work. Field service
27 employees include, but are not limited to, protective services
28 workers, parole and probation officers, conservation officers,
29 state troopers assigned to road patrol, inspectors, and



1 construction and trade workers.

2 (2) The department shall establish a policy and process for
3 verifying that all employees are working their jobs during normal
4 business hours.

5 (3) The department shall provide information on employee badge
6 scanning when requested by a member of the legislature.

7 Sec. 217. (1) Funds appropriated in part 1 that are used for
8 grants or grant programs are subject to the following conditions:

9 (a) Grant funds must be provided only to an entity that has
10 been established or is operating in this state or another state for
11 at least 36 months before approval or disbursement of grant funds.

12 (b) Grant funds must be provided only to an entity that has
13 had an office within this state or in the service area covered
14 under the grant for at least 12 months before approval or
15 disbursement of grant funds.

16 (c) Before awarding or disbursing grant funds, all grant
17 recipients must provide a spending plan that specifies the scope of
18 service, the program goals, the measurement for meeting program
19 goals, and how all grant funds will be used and must indicate if
20 any grant funds will be provided to a third party or subrecipient.

21 (d) Up to 20% of grant funds may be spent on administrative
22 costs and salaries. Up to 10% is authorized for contingencies.

23 (e) Each department or agency responsible for awarding or
24 disbursing grant funds must annually audit the entity's use of the
25 grant funds for each fiscal year in which the grant is active. Each
26 entity must submit information requested by the department to
27 confirm compliance.

28 (f) Each department and agency shall work with the office of
29 the auditor general to conduct an audit of the grant according to



1 generally accepted accounting practices and audit standards. The
2 office of the auditor general must be given access to all internal
3 and external records. All contracts or agreements between a
4 department or agency and a grant recipient or between a grant
5 recipient and a third party must include a clause granting the
6 office of the auditor general access to all internal and external
7 records.

8 (g) Grant recipients and their immediate family members are
9 prohibited from being employed by the executive branch or
10 legislative branch of this state. In addition, grant recipients are
11 prohibited from serving on any state board that has direct or
12 indirect responsibility for approving or auditing grant funds
13 awarded or disbursed by any department or agency.

14 (h) Full and complete audits of grant funds issued by the
15 department or an agency of this state, without redaction unless
16 required by law, must be posted to the department's website in a
17 conspicuous place for public review.

18 (2) On a quarterly basis, the department shall submit a report
19 to the standard report recipients on legislatively sponsored grant
20 funds that includes, but is not limited to, all of the following:

21 (a) The name of each grant recipient and the status of each
22 grant.

23 (b) The amount distributed to each grant recipient.

24 (c) The remaining amount to be distributed to each grant
25 recipient.

26 (d) Any changes to scope or costs of program.

27 (3) The report under subsection (2) must include the following
28 statements made by the department:

29 (a) A statement that confirms the department reviewed and



1 affirmed compliance by each grant recipient to program scope and
2 expenditure of grant funding.

3 (b) A statement that confirms the department reviewed
4 applicable program reports and requests for reimbursement.

5 Sec. 218. (1) The department shall require as a condition of
6 each contract or subcontract that the prequalified contractor or
7 prequalified subcontractor agree to use the E-Verify system to
8 verify that all persons hired during the contract term by the
9 contractor or subcontractor are legally present and authorized to
10 work in the United States.

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

17 (3) The department shall not contract with any foreign
18 entities that are known or suspected to be enemies of the United
19 States or known foreign adversaries. Foreign adversaries include
20 all of the following:

21 (a) The People's Republic of China.

22 (b) The Russian Federation.

23 (c) The Islamic Republic of Iran.

24 (d) The Democratic People's Republic of Korea.

25 (e) The Republic of Cuba.

26 (f) The Venezuelan regime of Nicolás Maduro.

27 (g) The Syrian Arab Republic.

28 (h) An agency or other entity under significant control of a
29 country described in subparagraphs (a) to (h).



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

5 Sec. 219. Funds appropriated in part 1 from state or federal
6 sources are prohibited from being used to provide services, grants,
7 or programming to an individual who is not a citizen of the United
8 States, unless the individual is a qualified alien as that term is
9 defined in 8 USC 1641. This section does not prohibit the
10 department, political subdivision, state university, or other state
11 agency from expending funds for the purpose of detaining
12 individuals who are not citizens of the United States, including
13 any costs associated with housing such individuals in county jails
14 or state correctional facilities.

15 Sec. 221. (1) In addition to the funds appropriated in part 1,
16 there is appropriated an amount not to exceed \$8,600,000.00 for
17 federal contingency authorization. Amounts appropriated are not
18 available for expenditure until they have been transferred to
19 another line item in part 1 under section 393(2) of the management
20 and budget act, 1984 PA 431, MCL 18.1393.

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

27 (3) In addition to the funds appropriated in part 1, there is
28 appropriated an amount not to exceed \$250,000.00 for local
29 contingency authorization. Amounts appropriated are not available



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

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

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

13 Sec. 223. The department shall submit a quarterly report that
14 summarizes all work project accounts. The report must include all
15 of the following:

16 (a) A list of all work project accounts.

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

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

24 Sec. 224. Total authorized appropriations from all sources
25 under part 1 for legacy costs for the fiscal year ending September
26 30, 2026 are estimated at \$11,475,400.00. From this amount, total
27 appropriations for pension-related legacy costs for the department
28 are estimated at \$10,350,100.00. Total appropriations for retiree
29 health care legacy costs for the department are estimated at



1 \$1,125,300.00.

2 Sec. 225. (1) The department shall maintain, on a publicly
3 accessible website, a department scorecard that identifies, tracks,
4 and updates on a quarterly basis key metrics that are used to
5 monitor and improve the department's performance.

6 (2) The department shall notify the standard report recipients
7 when the quarterly updates to the department scorecard are
8 available on a publicly accessible website.

9 Sec. 226. (1) Unless specifically authorized elsewhere in this
10 part or part 1, funds appropriated in part 1 must not be used to
11 pay for a state obligation that exceeds \$200,000.00 for a court-
12 approved judgment, settlement, award, or claim without prior
13 legislative approval.

14 (2) If a state obligation for a court-approved judgment,
15 settlement, award, or claim results in a change from current
16 statute, the department shall notify the legislature.

17 (3) This section does not apply to compensation and other
18 relief to individuals wrongfully imprisoned, as required under the
19 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
20 to 691.1757.

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

29 Sec. 228. State funds must not be used for diversity, equity,



1 and inclusion, or DEI, initiatives or programs or as outlined in
2 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
3 Radical and Wasteful Government DEI Programs and Preferencing",
4 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
5 Women from Gender Ideology Extremism and Restoring Biological Truth
6 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
7 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
8 Merit-Based Opportunity".

9 Sec. 229. Not later than January 1, the department shall
10 submit an updated departmental strategic plan to the senate and
11 house appropriations subcommittees on the department budget and the
12 senate and house fiscal agencies.

13 Sec. 230. The funds appropriated in part 1 for office of
14 defense and aerospace innovation must be used to protect and grow
15 the defense and homeland security industry in Michigan by
16 protecting the state's current defense missions, infrastructure,
17 and industry, including securing new missions and increasing
18 defense and homeland security spending in this state, in accordance
19 with the United States Department of Defense mission. These funds
20 may be used for, but are not limited to, the following:

21 (a) Helping Michigan businesses identify federal defense
22 contract opportunities.

23 (b) Providing technical assistance for bid responses to
24 federal defense contracts.

25 (c) Strengthening cybersecurity compliance at Michigan
26 businesses to qualify for federal defense contracts.

27
28 **MILITARY**

29 Sec. 301. (1) Not later than October 30, the department shall



1 report a list of the current unclassified positions, which shall
2 include the official titles and responsibilities of each position.

3 (2) Upon the department being granted a request for an
4 additional unclassified employee position from the civil service
5 commission, or for any substantive changes to the duties of an
6 existing unclassified employee position, the department shall
7 report on these changes within 15 days.

8 Sec. 302. (1) The department shall operate and maintain
9 National Guard armories and implement a system to measure the
10 condition and adequacy of those armories.

11 (2) Not later than January 15, the department shall evaluate
12 armories and submit an annual report on the status of the armories
13 that includes the following information:

14 (a) An assessment of the grounds and facilities of each armory
15 to objectively measure and determine the current facility condition
16 and capability to support authorized manpower, unit training, and
17 operations.

18 (b) Recommendations for the placement of new armories, the
19 relocation or consolidation of existing armories, or a change in
20 the mission of units assigned to armories to ideally position the
21 National Guard in current or projected population centers.

22 (c) Recommendations for the enhanced use of armories to
23 facilitate family support programs during deployments.

24 (d) An analysis of the feasibility, potential costs, and
25 benefits of use of armories shared with other local, state, or
26 federal agencies to improve responses to local emergencies as well
27 as the community support provided to armories.

28 (e) An investment strategy and proposed funding amounts in a
29 prioritized project list to correct the most critical facility



1 shortfalls across the inventory of armories in this state.

2 (f) A review of the status of construction activities and
3 expenditures of the armory modernization project funded in section
4 107 of article 10 of 2022 PA 166 and section 104 of 2022 PA 194.

5 Sec. 303. (1) The department shall maintain the MYCA to
6 provide values, skills, education, and self-discipline instruction
7 for at-risk youth as provided under 32 USC 509.

8 (2) The department shall take steps to recruit candidates to
9 the MYCA from economically-disadvantaged areas, including those
10 with low-income and high-unemployment backgrounds.

11 (3) The department shall partner with the DHHS to identify
12 youth who may be eligible for MYCA from those youth served by DHHS
13 services programs. The department shall give these eligible youth
14 priority for enrollment.

15 (4) The department shall maintain the MYCA to graduate at
16 least the target number of graduates consistent with the state's
17 cooperative agreement with the National Guard Bureau regarding
18 program operations.

19 (5) The department shall ensure individual academic success as
20 measured by the number of individuals who have received a general
21 equivalency diploma, high school diploma, or high school credit
22 recovery or by the improvement of tests of adult basic education
23 scores, or both.

24 (6) Any unexpended and unencumbered private donations to
25 support the MYCA at the close of this fiscal year do not lapse to
26 the general fund and must be carried forward to the subsequent
27 fiscal year.

28 (7) Not later than March 1, the department shall submit a
29 report to the standard report recipients with the following



1 information for the previous calendar year:

2 (a) The number of MYCA participants and graduates.

3 (b) Descriptions of the programs and training offered during
4 each cycle of the MYCA program.

5 (c) The number of Michigan job challenge program participants
6 and graduates.

7 (d) If known, the employment rate for individuals who
8 graduated from the Michigan job challenge program.

9 (e) For each FTE position appropriated in part 1 for the
10 Michigan youth challenge academy, a description of the position's
11 functions, assigned responsibilities, and, if applicable, the
12 length of time that the position has been vacant.

13 Sec. 304. (1) Not later than January 15, the department shall
14 provide a report on the revenues, expenditures, and fund balance of
15 the military family relief fund. The department shall itemize
16 expenditures in the report by purpose, including, but not limited
17 to, for advertising and assistance grants. The report must also
18 include information on the number of applications for assistance
19 received, approved, and denied.

20 (2) From the funds appropriated in part 1, the department
21 shall provide outreach to the Michigan families of members of the
22 reserve component of the Armed Forces of the United States called
23 into active duty on the availability of assistance through the
24 military family relief fund.

25 (3) As used in this section, "military family relief fund"
26 means the military relief fund created in section 3 of the military
27 family relief fund act, 2004 PA 363, MCL 35.1213.

28 Sec. 305. (1) The department shall do all of the following:

29 (a) Provide Army and Air National Guard forces, when directed,



1 for state and local emergencies and in support of national military
2 requirements.

3 (b) Operate and maintain Army National Guard training
4 facilities, including Fort Custer and Camp Grayling.

5 (c) Maintain a system that measures the condition and adequacy
6 of air facilities using both quality and functionality criteria.

7 (d) Operate and maintain Air National Guard air bases,
8 including Selfridge Air National Guard base, Battle Creek Air
9 National Guard base, and Alpena combat readiness training center.

10 (2) Not later than March 1, the department shall report the
11 following information for the previous calendar year:

12 (a) The apportioned and assigned strength of the Michigan Army
13 National Guard.

14 (b) The apportioned and assigned strength of the Michigan Air
15 National Guard.

16 (c) Recruiting, retention, and attrition data, including
17 measurement against stated performance goals, for the Michigan Army
18 National Guard.

19 (d) Recruiting, retention, and attrition data, including
20 measurement against stated performance goals, for the Michigan Air
21 National Guard.

22 Sec. 306. (1) The billeting fund is created within the state
23 treasury.

24 (2) The state treasurer shall deposit money and other assets
25 received from any source into the fund. The state treasurer shall
26 direct the investment of money in the fund and credit interest and
27 earnings from the investments to the fund.

28 (3) All of the fees and other revenues generated from the
29 operation of the chargeable transient quarters program must be



1 deposited in the fund.

2 (4) Money in the fund at the close of the fiscal year remains
3 in the fund and does not lapse to the general fund.

4 (5) The department is the administrator of the fund for
5 auditing purposes.

6 (6) The department shall expend money from the fund to support
7 program operations and the maintenance and operations of the
8 chargeable transient quarters program as appropriated in part 1.

9 (7) Not later than January 15, the department shall submit an
10 annual report of operations and expenditures regarding the fund for
11 the previous fiscal year.

12 Sec. 307. (1) The department shall maintain a Michigan
13 National Guard tuition assistance program under the Michigan
14 National Guard tuition assistance act, 2014 PA 259, MCL 32.431 to
15 32.433. The Michigan National Guard tuition assistance program must
16 do all of the following:

17 (a) Bolster military readiness by increasing recruitment and
18 retention of Michigan Army and Air National Guard members.

19 (b) Fill federally authorized strength levels for the state.

20 (c) Improve the Michigan Army and Air National Guard's
21 competitive draw from other military enlistment options in the
22 state.

23 (d) Enhance the ability of the Michigan Army and Air National
24 Guard to compete for guard members and federal dollars with
25 surrounding states.

26 (e) Increase the pool of eligible candidates within the
27 Michigan Army and Air National Guard to become commissioned
28 officers.

29 (2) The department shall make efforts to increase the number



1 of National Guard members who have received a credential or are
2 still enrolled in the Michigan National Guard tuition assistance
3 program after their initial term of enlistment. To evaluate the
4 effectiveness of the program, the department shall monitor the
5 number of new recruits and new reenlistments and the percentage of
6 those who become participants in the program to determine whether
7 the percentage of authorized Michigan Army and Air National Guard
8 strength obtained and retained is competitive in comparison with
9 the neighboring army and air national guards from Illinois,
10 Indiana, Ohio, and Wisconsin.

11 (3) Not later than March 1, the department shall provide a
12 report on the Michigan National Guard tuition assistance program.
13 The report must include, but is not limited to, the following
14 information for the previous fiscal year:

15 (a) The number of guard members, spouses, and dependents that
16 received tuition assistance, broken down by the number of each type
17 of recipient and each type of educational or training program for
18 which tuition assistance was received.

19 (b) The educational institutions from which those guard
20 members, spouses, and dependents received education or training
21 under the program, broken down by the number of each type of
22 recipient and each type of educational or training program for
23 which tuition assistance was received.

24 (c) The total amount of financial assistance received by each
25 educational institution.

26 (d) The total funds expended on the program for financial
27 assistance for each type of recipient and each type of educational
28 or training program.

29 (e) The total funds expended on the program for administrative



1 costs of the department.

2 (f) For each FTE position appropriated in part 1 for the
3 Michigan National Guard tuition assistance program, a description
4 of the position's functions, assigned responsibilities, and, if
5 applicable, the length of time that the position has been vacant.

6 (g) The total number of applications for tuition assistance
7 approved and denied.

8 (h) The number of guard members, spouses, and dependents
9 receiving tuition assistance that successfully completed an
10 educational or training program for which tuition assistance was
11 received.

12 (i) A description of each educational or training program
13 offered through the Michigan National Guard tuition assistance
14 program.

15 (j) A list of any educational institutions and training
16 programs removed from eligibility and the rationale for that
17 removal.

18 (k) The balance of the Michigan National Guard tuition
19 assistance fund at the close of the fiscal year.

20 (l) An explanation of any identified barriers to the successful
21 utilization of the program, or other unmet needs of the program and
22 applicable proposals for legislative action to address those
23 barriers and needs.

24 (m) An analysis of the ways that the program has affected the
25 recruitment and retention efforts of the Michigan National Guard.

26 (4) The general fund/general purpose funds appropriated in
27 part 1 for the National Guard tuition assistance fund must be
28 deposited into the restricted Michigan National Guard tuition
29 assistance fund. All funds in the restricted Michigan National



1 Guard tuition assistance fund are appropriated and available for
2 expenditure to support the Michigan National Guard tuition
3 assistance program.

4 (5) As used in this section, "Michigan National Guard tuition
5 assistance fund" means the Michigan National Guard tuition
6 assistance fund created in section 4 of the Michigan National Guard
7 tuition assistance act, 2014 PA 259, MCL 32.434.

8 Sec. 309. (1) The National Guard test projects fund is created
9 within the state treasury.

10 (2) The state treasurer shall deposit money and other assets
11 received from any source into the fund. The state treasurer shall
12 direct the investment of money in the fund and credit interest and
13 earnings from the investments to the fund.

14 (3) All of the fees and other revenues generated from the
15 operation of the test projects program shall be deposited in the
16 fund.

17 (4) Money in the fund at the close of the fiscal year remains
18 in the fund and does not lapse to the general fund.

19 (5) The department is the administrator of the fund for
20 auditing purposes.

21 (6) Money in the fund shall be available for expenditure for
22 the support of program operations as appropriated in part 1.

23 Sec. 310. (1) The morale, welfare, and recreation fund is
24 created within the state treasury.

25 (2) The state treasurer shall deposit money and other assets
26 received from any source into the fund. The state treasurer shall
27 direct the investment of money in the fund and shall credit
28 interest and earnings from the investments to the fund.

29 (3) The department is the administrator of the fund for



1 auditing purposes.

2 (4) All of the fees and other revenues generated from the
3 operation of the morale, welfare, and recreation program must be
4 deposited in the morale, welfare, and recreation fund. Money in the
5 fund is available for expenditure for the support of program
6 operations as appropriated in part 1.

7 (5) Money remaining in the fund at the close of the fiscal
8 year remains in the fund and does not lapse to the general fund.

9 Sec. 311. (1) The National Guard facilities rental fund is
10 created in the state treasury.

11 (2) The state treasurer shall deposit money and other assets
12 received from any source into the fund. The state treasurer shall
13 direct the investment of money in the fund and shall credit
14 interest and earnings from the investments to the fund.

15 (3) All of the fees and other revenues generated from the
16 operation of the National Guard facilities rental program must be
17 deposited in the fund.

18 (4) Money in the fund at the close of the fiscal year remains
19 in the fund and does not lapse to the general fund.

20 (5) The department is the administrator of the fund for
21 auditing purposes.

22 (6) Money in the fund is available for expenditure for the
23 support of program operations as appropriated in part 1.

24 Sec. 312. Not later than February 1, the department shall
25 provide the report required under section 251(7) of the Michigan
26 military act, 1967 PA 150, MCL 32.651.

27 Sec. 313. The Michigan Army National Guard and Air National
28 Guard shall work to provide a culture that is free of sexual
29 assault, through an environment of prevention, education and



1 training, response capability, victim support, reporting
2 procedures, and appropriate accountability that enhances the safety
3 and well-being of all guard members.

4 Sec. 314. (1) The Michigan National Guard member healthcare
5 reimbursement fund is created within the state treasury.

6 (2) The state treasurer shall deposit money and other assets
7 received from any source into the fund. The state treasurer shall
8 direct the investment of money in the fund and credit interest and
9 earnings from the investments to the fund.

10 (3) Money in the fund at the close of the fiscal year remains
11 in the fund and does not lapse to the general fund.

12 (4) The department is the administrator of the fund for
13 auditing purposes.

14 (5) The department shall create and operate a Tricare premium
15 reimbursement program.

16 (6) Funds appropriated in part 1 for Michigan National Guard
17 member healthcare reimbursement must be deposited into the Michigan
18 National Guard member healthcare reimbursement fund. All funds in
19 the Michigan National Guard member healthcare reimbursement fund
20 are appropriated and available for expenditure to support the
21 Tricare premium reimbursement program created in subsection (5).

22 (7) Under the Tricare premium reimbursement program created in
23 subsection (5), the department may reimburse eligible Michigan
24 National Guard members for a premium paid for any of the following:

25 (a) Individual coverage under the Tricare dental program.

26 (b) Individual coverage through the Tricare reserve select
27 program.

28 (8) The department shall promulgate rules under the
29 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to



1 24.328, as necessary to implement and administer the Tricare
2 premium reimbursement program created in subsection (5).

3 (9) As used in this section:

4 (a) "Eligible member" means a member of the Michigan National
5 Guard who is eligible for coverage under the Tricare dental program
6 or the Tricare reserve select program and meets any other
7 eligibility criteria established by the department.

8 (b) "Tricare dental program" means a voluntary dental health
9 insurance plan for eligible members who are not on active duty and
10 are not covered by a traditional assistance management program, an
11 existing health insurance program through an employer, or a private
12 market plan.

13 (c) "Tricare reserve select program" means a voluntary health
14 insurance plan for eligible members who are not on active duty and
15 are not covered by a traditional assistance management program, an
16 existing health insurance program through an employer, or a private
17 market plan.

18 Sec. 315. (1) The Michigan National Guard child care
19 assistance fund is created within the state treasury.

20 (2) The state treasurer shall deposit money and other assets
21 received from any source into the fund. The state treasurer shall
22 direct the investment of money in the fund and credit interest and
23 earnings from the investments to the fund.

24 (3) Money in the fund at the close of the fiscal year remains
25 in the fund and does not lapse to the general fund.

26 (4) The department is the administrator of the fund for
27 auditing purposes.

28 (5) The department shall create and administer a child care
29 assistance program.



1 (6) Funds appropriated in part 1 for Michigan National Guard
2 child care assistance must be deposited into the Michigan National
3 Guard child care assistance fund. All funds in the Michigan
4 National Guard child care assistance fund are appropriated and
5 available for expenditure to support the child care assistance
6 program.

7 (7) To receive assistance under the child care assistance
8 program, an eligible member must submit an application to the
9 department. If there is sufficient money in the Michigan National
10 Guard child care assistance fund, the department shall approve,
11 subject to the limitations under subsection (8), an application to
12 cover the amount of child care assistance applied for if either of
13 the following applies:

14 (a) The eligible member is a single parent.

15 (b) The eligible member's spouse is also an eligible member.

16 (8) The department shall issue a stipend at a rate established
17 annually by the department to each eligible member who applies and
18 is approved for child care assistance under the program. The
19 department shall determine the amount of child care assistance that
20 may be provided under this subsection for each fiscal year. The
21 amount of child care assistance determined by the department under
22 this subsection applies to all eligible members who apply and are
23 approved under the program. The department shall not approve child
24 care assistance for more than 12 hours a day for weekend drills and
25 annual training and for not more than 39 days a year.

26 (9) The department shall promulgate rules under the
27 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
28 24.328, as necessary to implement and administer the child care
29 assistance program.



1 (10) Not later than March 1, the department shall provide a
2 report on the child care assistance program. The report must
3 include, but is not limited to, the following information:

4 (a) The number of eligible members receiving child care
5 assistance under the program, broken down by service branch and
6 including the amount of the stipend issued, and the total number of
7 National Guard members by service branch.

8 (b) The number of children for whom a stipend was paid and the
9 associated number of hours paid broken down by service branch.

10 (c) The hourly rate paid.

11 (d) The total funds expended on the program for child care
12 stipends.

13 (e) The total funds expended on the program for administrative
14 costs of the department.

15 (f) Any other pertinent information, as determined by the
16 department, on the program's operations and administration.

17 (11) As used in this section:

18 (a) "Child care assistance program" or "program" means the
19 child care assistance program created under subsection (5).

20 (b) "Eligible member" means a member of the Michigan National
21 Guard who meets all of the following:

22 (i) Is in active service as that term is defined in section 105
23 of the Michigan military act, 1967 PA 150, MCL 32.505.

24 (ii) Is not absent without leave or under charges described in
25 the Michigan code of military justice of 1980, 1980 PA 523, MCL
26 32.1001 to 32.1148.

27 (iii) Any other criteria established by the department that is
28 consistent with Michigan National Guard recruiting and retention
29 requirements.



1 (c) "Michigan National Guard child care assistance fund" means
2 the Michigan National Guard child care assistance fund created
3 under subsection (1).

4 Sec. 316. The department shall not use funds appropriated in
5 part 1 to support any projects, studies, staff effort, consultant
6 expenses, or any other activity related to the development,
7 financing, construction, operation, or implementation of a
8 hypersonic and extreme environment testing program at Selfridge Air
9 National Guard Base. As used in this section, "hypersonic and
10 extreme environment testing" means any activity intended to
11 imitate, simulate, or replicate the extreme conditions of
12 hypersonic flight for the purposes of developing, testing,
13 improving, or validating the effectiveness or performance of
14 materials for use in hypersonic or counter-hypersonic vehicles or
15 technology.

16
17 **MICHIGAN VETERANS AFFAIRS AGENCY**

18 Sec. 404. (1) Money privately donated to the department for
19 the MVAA in excess of the appropriation in part 1 is appropriated
20 and available for expenditure for the benefit and life enrichment
21 of veterans and for the purpose designated by the private source,
22 if specified and in compliance with this section.

23 (2) Any unexpended and unencumbered private donations to
24 support the MVAA at the close of this fiscal year do not lapse to
25 the general fund and must be carried forward to the subsequent
26 fiscal year.

27 (3) Not later than January 15, the department must submit a
28 report that provides the amount of private donations received by
29 the department for the MVAA and the purpose for which the funds



1 will be expended, if known. In addition to the annual report
2 required under this subsection, if a donation described under this
3 section is \$10,000.00 or greater, the department must submit a
4 report within 14 calendar days after receiving that donation
5 providing the amount of the donation and the purpose for which the
6 funds will be expended, if known.

7 Sec. 405. (1) The Michigan veterans' trust fund board together
8 with the MVAA shall provide emergency grants for disbursement from
9 the Michigan veterans' trust fund, as provided under the following
10 program authorities:

11 (a) Sections 37, 38, and 39 of article IX of the state
12 constitution of 1963.

13 (b) 1946 (1st Ex Sess) PA 9, MCL 35.602 to 35.610.

14 (c) R 35.1 to R 35.7 of the Michigan Administrative Code.

15 (d) R 35.621 to R 35.623 of the Michigan Administrative Code.

16 (2) Not later than January 15, the MVAA shall provide a
17 detailed report of the Michigan veterans' trust fund that includes,
18 for the previous fiscal year, the following information:

19 (a) Details concerning the methodology of allocations and the
20 selection of emergency grant program authorized agents.

21 (b) A description of how the emergency grant program is
22 administered in each county.

23 (c) A detailed breakdown of the Michigan veterans' trust fund
24 expenditures for the emergency grant program, including the amount
25 distributed to each county for operating costs, administrative
26 costs and emergency grants.

27 (d) Expenditures for state operating costs and administrative
28 costs.

29 (e) The number of approved emergency grant applications, by



1 category of assistance, and the number of denied applications, by
2 reason of denial.

3 (f) A description of the MVAA's efforts to reduce program
4 administrative costs and maintain the Michigan veterans' trust fund
5 corpus at or above its original amount of \$50,000,000.00.

6 (g) The overall financial status of the Michigan veterans'
7 trust fund, including revenues and year-end balance.

8 (h) Expenditures for program partnerships, delineated by
9 organization, and expenditures for any other program initiatives.

10 Sec. 406. The MVAA shall do all of the following:

11 (a) Provide outreach services to Michigan veterans to advise
12 them on the benefits to which they are entitled, as provided under
13 Executive Reorganization Order No. 2013-2, MCL 32.92.

14 (b) Develop and operate an outreach program that communicates
15 benefit eligibility information to at least 50% of Michigan's
16 population of veterans, as assessed by annual census estimates,
17 with a goal of reaching 100% and enabling 100% to access benefit
18 information online.

19 (c) Communicate veteran benefit information pertaining to the
20 Michigan military family relief fund, Michigan veterans' trust
21 fund, and USDVA health, financial, and memorial benefits to which
22 veterans are entitled.

23 (d) Fulfill requests for military discharge certificates (DD-
24 214) upon request.

25 (e) Not later than January 1, submit a report on the
26 percentage of Michigan veterans contacted through its outreach
27 programs, with a goal of 90%, and report that percentage on the
28 status of outreach.

29 Sec. 408. From the funds appropriated in part 1, the MVAA



1 shall provide for the regional coordination of services and do all
2 of the following:

3 (a) Coordinate with veteran benefit counselors throughout a
4 specified region.

5 (b) Coordinate services with all state departments and
6 agencies.

7 (c) Coordinate with regional workforce and economic
8 development agencies.

9 (d) Coordinate activities among local foundations, nonprofit
10 organizations, and community groups to improve accessibility,
11 enrollment, and utilization of the array of health care, education,
12 employment assistance, and quality of life services provided at the
13 local level.

14 (e) Work with MVAA service officers, county veteran
15 counselors, VSO service officers, and other service providers to
16 increase awareness of available mental health care resources and
17 support services veterans may be eligible to receive.

18 (f) Coordinate with the DHHS to identify Medicaid recipients
19 who are veterans and who may be eligible for federal veterans
20 health care benefits or other benefits, to the extent that the
21 identification does not violate applicable confidentiality
22 requirements.

23 (g) Collaborate with the department of corrections to create
24 and maintain a process by which prisoners can obtain a copy of
25 their DD-214 form or other military discharge documentation if
26 necessary.

27 (h) Ensure that all MVAA service officers and VSO service
28 officers receive appropriate training in processing applications
29 for benefits payable to veterans due to military sexual trauma,



1 post-traumatic stress disorder, depression, anxiety, substance use
2 disorder, or other mental health issues.

3 Sec. 410. (1) The MVAA shall provide claims processing
4 services to Michigan veterans in support of benefit claims
5 submitted to the USDVA for the health, financial, and memorial
6 benefits for which they are eligible. The MVAA shall report
7 annually on the number of benefit claims, by type, submitted to the
8 USDVA by MVAA and maintain the staffing and resources necessary to
9 process a minimum of 500 claims per year.

10 (2) The MVAA shall develop and implement a process to ensure
11 that all county veterans counselors receive the training and
12 accreditation necessary to provide quality services to veterans and
13 shall report information annually on the number and percentage of
14 county veterans counselors trained by the MVAA, and the number and
15 percentage who received funding from the MVAA to attend training,
16 with an overall goal of 100% of county veterans counselors trained.

17 (3) From the funds appropriated in part 1 for MVAA, the MVAA
18 is authorized to expend up to \$100,000.00 to hire legal services to
19 represent veterans benefit cases before federal court to maintain
20 accreditation under 38 CFR 14.628(d) (1) (iv).

21 Sec. 411. (1) From the funds appropriated in part 1 for
22 veterans service grants, the MVAA shall establish, administer, and
23 award competitive grants to 1 or more congressionally chartered
24 VSOs or a coalition of VSOs. The MVAA shall award grants to support
25 efforts to connect veterans and their dependents with federal
26 compensation and pension benefits and state veterans' benefits,
27 including emergency grants through the Michigan veterans' trust
28 fund and other local or nonprofit assistance that may be available
29 to veterans and their dependents. The MVAA shall establish a



1 competitive grant process that satisfies all of the following:

2 (a) Utilizes a service provision model to provide services
3 across the state and can be tracked regionally to ensure that
4 veterans and their dependents in this state, including those within
5 tribal communities, are provided with services, advocacy, and
6 outreach as close to the communities in which they live as
7 possible.

8 (b) Ensures that grantees are providing adequate veteran
9 services and advocacy, through in-person and virtual meetings, that
10 enable the organization to meet performance goals established in
11 the grant agreement.

12 (c) Fosters innovative and transformative approaches and
13 techniques for the grantee to use when providing services,
14 advocacy, and outreach for veterans and their dependents.

15 (d) Requires grantees to use an MVAA-designated internet-based
16 claims data system to manage caseloads. License fees associated
17 with the claims data system described in this subdivision are
18 considered an allowable expenditure and may be reimbursed with
19 grant funds.

20 (e) Requires grantees, in coordination with the MVAA, to
21 provide services to incarcerated veterans who are within 1 year of
22 their earliest release date.

23 (f) Ensures that each grantee is issued performance goals.

24 (g) Ensures that each grantee expends grant awards as
25 prescribed in the grant agreement.

26 (h) Requires each grantee to report not less than quarterly on
27 all of the following:

28 (i) An accounting for all grant fund expenditures.

29 (ii) The number and type of claims originated and submitted by



1 the grantee to the USDVA.

2 (iii) The number and type of claims originated by an
3 organization other than the grantee and submitted by the grantee to
4 the USDVA.

5 (iv) The services provided to veterans and their dependents.

6 (v) Progress in achieving monthly performance benchmark goals.

7 (i) Ensures that each grantee is issued monthly performance
8 benchmark goals that each grantee must aim to achieve and require
9 each grantee to report to the MVAA, in order to ensure that
10 benchmark goals are being achieved, or on target to be achieved, in
11 the fiscal year.

12 (2) The MVAA shall do all of the following:

13 (a) Follow all generally accepted accounting principles in
14 accordance with sections 141 and 485 of the management and budget
15 act, 1984 PA 431, MCL 18.1141 and 18.1485.

16 (b) When establishing, modifying, or amending the competitive
17 grant process described in subsection (1), consult and collaborate
18 with congressionally chartered VSOs in the state, or a coalition of
19 VSOs, and other stakeholders to ensure a comprehensive approach to
20 providing services, advocacy, and outreach to veterans and their
21 dependents.

22 (c) Provide notice to current grantees of any MVAA-proposed
23 modifications or amendments to the competitive grant process and
24 provide those grantees with an opportunity to respond through
25 written communication.

26 (d) Assess the accuracy rate of claims reported by grantees.

27 (e) Review and audit grantees' expenditure of grant funds to
28 ensure compliance with the grant agreement, as provided under
29 section 470 of the management and budget act, 1984 PA 431, MCL



1 18.1470.

2 (3) Not later than January 15, the MVAA shall provide a report
3 summarizing grant activities for the previous fiscal year,
4 including the amount of expenditures, number of service and
5 advocacy hours, number of claims for benefits submitted by type of
6 claim, and other information deemed appropriate by the MVAA.

7 (4) The unexpended funds appropriated in part 1 for veterans
8 service grants are designated as a work project appropriation, and
9 any unencumbered or unallotted funds do not lapse at the end of the
10 fiscal year and must be available for expenditures for projects
11 under this section until the projects have been completed. The
12 following is in compliance with section 451a of the management and
13 budget act, 1984 PA 431, MCL 18.1451a:

14 (a) The purpose of the project is to administer and award
15 competitive grants to 1 or more congressionally chartered VSOs or a
16 coalition of VSOs.

17 (b) The project will be accomplished by state employees and
18 grantees.

19 (c) The tentative completion date is September 30, 2026.

20 Sec. 413. (1) The funds appropriated in part 1 for county
21 veteran service grants must be deposited into the restricted county
22 veteran service fund created in section 3a of 1953 PA 192, MCL
23 35.623a. All available funds in the restricted county veteran
24 service fund are appropriated and available for expenditure as
25 provided by law.

26 (2) The MVAA shall provide a report not later than January 15
27 that includes the following information for the previous fiscal
28 year:

29 (a) A list of counties that received a grant under this



1 section and details concerning the methodology of allocations,
2 including, but not limited to, all program information distributed
3 by the MVAA to counties and any applicable timelines and deadlines
4 imposed by the MVAA.

5 (b) The base, per capita, and total amounts of grant funding
6 each county received pursuant to sections 3a(6) and 3a(7) of 1953
7 PA 192, MCL 35.623a, including any amount of funding provided under
8 the emergent need relief program pursuant to section 3a(10) of 1953
9 PA 192, MCL 35.623a.

10 (c) A summary of each county's expenditures of grant funding.

11 (d) The amount of any unexpended grant funding disbursed to
12 the counties that has been recovered and returned to the county
13 veteran service fund.

14 (e) The balance of the county veteran service fund at the
15 close of the fiscal year.

16 (f) A list of counties that have requested funds in the
17 current fiscal year, the amount requested by each county, and the
18 total of these amounts.

19 (g) A list of counties that did not request funds in the
20 current fiscal year.

21 (h) The amount of any funds recovered by the MVAA through the
22 MVAA's finding of misused grant funds.

23 (i) An explanation of any obstacles or reasons for counties
24 not applying for or spending their eligible amount of grant
25 funding.

26 (j) The amount expended by the MVAA for grant administration
27 and implementation costs.

28 (k) Details concerning the methodology of allocations and the
29 selection of emergency grant program authorized agents.



1 (3) The MVAA shall notify the legislature not later than 30
2 days after any changes, alterations, or modifications are made to
3 the amount of grant funding awarded to a county under section 3a of
4 1953 PA 192, MCL 35.623a.

5 (4) On a quarterly and annual basis, but not more than
6 quarterly, a county that receives grant funding under section 3a of
7 1953 PA 192, MCL 35.623a, shall submit a report to the MVAA that
8 includes, but is not limited to, all of the following:

9 (a) A line-item accounting of all expenditures made using
10 grant funds, including, but not limited to, salaries, training,
11 outreach, equipment, transportation, and operational expenses.

12 (b) A breakdown of the number of veterans served using grant
13 funds, including the number of veterans assisted, the types of
14 services provided, and the number and types of claims submitted.

15 (c) A comparison of the costs associated with delivering
16 services or products to veterans to the amount of grant funding
17 spent on delivering those services or products.

18 (d) A verification of county match funding, including
19 documentation that the county has maintained at least 70% of the
20 funding level from the previous fiscal year for veteran services.

21 (e) A description of how county expenditures align with the
22 intended outcomes of the county veteran service grant program,
23 including any challenges or deviations from planned activities.

24 (f) A certification, signed by the county veteran service
25 officer and a county fiscal officer, affirming that all
26 expenditures comply with county veteran service grant conditions
27 and applicable law.

28 Sec. 414. Not later than January 15, the department shall
29 provide a report on the status of the construction, operations, and



1 finances of the state veterans cemetery funded under the veterans
2 cemetery act, 2022 PA 267, MCL 35.1251 to 35.1259.

3 Sec. 415. (1) From the funds appropriated in part 1 for
4 Michigan veterans affairs agency administration, the MVAA shall
5 complete a study and submit a report to the standard report
6 recipients not later than January 15 that includes all of the
7 following:

8 (a) Data on the estimated number of homeless veterans, by
9 county, in this state.

10 (b) Challenges to securing housing for homeless veterans.

11 (c) Recommendations for future long-term partnerships between
12 the Michigan state housing development authority, the MVAA,
13 municipalities, and nonprofit organizations that could assist in
14 eliminating homelessness among veterans in this state.
15 Recommendations under this subdivision must minimize additional
16 costs to local units of government.

17 (d) A summary of ongoing projects and grant programs designed
18 to combat veteran homelessness in the state, including, if
19 applicable, the amounts spent on these projects and grant programs.

20 (2) As used in this section:

21 (a) "Homeless" means that term as defined in section 103 of
22 the McKinney-Vento homeless assistance act of 2009, 42 USC 11302.

23 (b) "Veteran" means an individual who served in the United
24 States Armed Forces, including the reserve components and National
25 Guard, and was discharged or released under conditions other than
26 dishonorable. Veteran includes an individual who died while on
27 active duty in the United States Armed Forces.

28 Sec. 416. From the funds appropriated in part 1, the
29 department may partner with the DHHS to facilitate and administer a



1 program to contract with or provide grants to local health care
2 providers to accelerate the clinical research and deployment of
3 promising investigational treatments for suicide prevention that
4 have been granted breakthrough therapy designation by the United
5 States Food and Drug Administration and are eligible for expanded
6 access as defined by the United States Food and Drug
7 Administration, specifically for the treatment of post-traumatic
8 stress disorder, major depressive disorder, or treatment-resistant
9 depression in veterans of the United States military and first
10 responders.

11
12 **MICHIGAN VETERANS' FACILITY AUTHORITY**

13 Sec. 501. (1) Money privately donated to the MVH, the MVFA, or
14 a veterans' facility in excess of the appropriation in part 1 is
15 appropriated and is available for expenditure for the benefit and
16 life enrichment of resident members and for the purpose designated
17 by the private source, if specified and in compliance with this
18 section.

19 (2) Not later than January 15, the MVH must submit a report
20 that provides the amount of the private donations described under
21 subsection (1) and the purpose for which the funds will be
22 expended, if known. In addition to the annual report required under
23 this subsection, if the MVH, the MVFA, or a veterans' facility
24 receives a private donation that is \$10,000.00 or greater, the MVH
25 must submit a report within 14 calendar days after receiving that
26 donation providing the amount of the donation and the purpose for
27 which the funds are to be expended, if known.

28 (3) Any unexpended and unencumbered private donations to
29 support the MVH at the close of this fiscal year do not lapse to



1 the general fund and must be carried forward to the subsequent
2 fiscal year.

3 Sec. 502. (1) From the funds appropriated in part 1, the MVH
4 and the MVFA shall provide compassionate and quality nursing care
5 services at each veterans' facility in this state so that resident
6 members can achieve their highest potential of wellness,
7 independence, self-worth, and dignity. The MVFA and the MVH shall
8 provide nursing care services to veterans in accordance with
9 federal standards and report the results of the annual USDVA and
10 CMS surveys and certification as proof of compliance.

11 (2) Appropriations in part 1 for a veterans' facility shall
12 not be used for any purpose other than expenses related to the
13 operations of the veterans' facility.

14 Sec. 503. All contractors providing health care services at a
15 veterans' facility shall provide services in a manner that complies
16 with applicable USDVA and CMS regulations for state veterans' homes
17 and skilled nursing facilities, any rules governing the operation
18 of nursing homes licensed in this state, and any training and
19 education requirements associated with staff licensure or
20 certification.

21 Sec. 504. (1) The MVFA shall report and investigate all
22 complaints of abuse or neglect at a veterans' facility in
23 compliance with USDVA and CMS regulations for state veterans' homes
24 and skilled nursing facilities. The MVFA shall report on a
25 bimonthly basis the following information:

26 (a) A description of the process by which resident members and
27 others may file complaints of alleged abuse or neglect at a
28 veterans' facility.

29 (b) Summary statistics on the number and general nature of



1 complaints of abuse or neglect.

2 (c) Summary statistics on the final disposition of complaints
3 of abuse or neglect received.

4 (2) The MVFA shall display in high-traffic areas throughout
5 the veterans' facility the process by which visitors, resident
6 members, and staff of the veterans' facility may register
7 complaints.

8 Sec. 505. The MVH shall do the following regarding member
9 care:

10 (a) Provide board-certified psychiatric care for all resident
11 members with mental health disorders in order to ensure that those
12 resident members receive needed services in a professional and
13 timely manner.

14 (b) Provide all resident members and staff a safe and secure
15 environment.

16 (c) Ensure that the veterans' facility effectively develops,
17 executes, and monitors all comprehensive care plans in accordance
18 with federal regulations and the veterans' facility's internal
19 policies, with a goal that a comprehensive care plan is fully
20 developed for all resident members.

21 Sec. 506. The MVH shall establish and implement internal
22 controls regarding all of the following:

23 (a) The use and management of food, maintenance, and
24 pharmaceutical and medical supply inventories.

25 (b) Calculating resident member maintenance assessments in
26 order to accurately calculate resident member maintenance
27 assessments for each billing cycle and ensure that all past due
28 resident member maintenance assessments are addressed within 30
29 days.



1 (c) Monetary donations and donated goods.

2 (d) The handling of resident member funds to ensure the
3 release of funds within 15 calendar days upon the resident member
4 leaving the home and to ensure that a representative of a resident
5 member is provided a full accounting of that resident member's
6 funds within 30 calendar days after the death of that resident
7 member.

8 (e) Financial reporting and accounting.

9 Sec. 507. (1) The MVH shall post on its website the following:

10 (a) All policies adopted by the MVFA and the veterans'
11 facility related to the administrative operations of the veterans'
12 facility.

13 (b) The agenda and minutes of public meetings of the MVFA
14 board.

15 (2) The MVH shall provide a report with copies of each
16 veterans' facility's USDVA State Veteran Home quarterly report.
17 These quarterly reports shall also be posted on the MVH website.

18 (3) Not later than January 15, the MVH shall provide a report
19 on the following:

20 (a) Census data for each veterans' facility, including
21 information on level of care, service era of its resident members,
22 payer source, and average income and assessment rate.

23 (b) Per patient daily care hours provided by each veterans'
24 facility, by level of care.

25 (4) The MVH shall provide a bimonthly report on the financial
26 status of each veterans' facility and central MVFA/MVH
27 administration. Information shall include, but not be limited to,
28 actual year-to-date and projected year-end revenues and
29 expenditures, by fund source.



1 (5) The MVH shall provide a report on the results of any
2 annual or for-cause survey conducted by any entity with oversight
3 over the veterans' facility and any corresponding corrective action
4 plan. This information shall also be made available publicly
5 through the MVH website.

6 (6) In addition to the information required under section
7 12(1) of the Michigan veterans' facility authority act, 2016 PA
8 560, MCL 36.112, not later than January 15, the MVFA shall provide
9 a report detailing the strategies and actions taken to maximize
10 revenues from non-general fund sources and cost savings strategies.

11 Sec. 508. In addition to the funds appropriated in part 1,
12 private revenues held by the MVH on a nonfiduciary basis for a
13 resident member of a veterans' facility are appropriated to pay
14 medical expenses, member assessments, and other expenses incurred
15 by that resident member. Any unexpended or unencumbered private
16 revenues held on a nonfiduciary basis by the MVH at the close of
17 the fiscal year do not lapse to the general fund and must be
18 carried forward into the subsequent fiscal year.

19 Sec. 509. Not later than January 1, the MVFA shall provide a
20 report on the construction, operation, and finances of the new
21 Marquette veterans home funded in article 14 of 2022 PA 166.

22 Sec. 510. Except as otherwise provided by law, any unexpended
23 and unencumbered federal revenues received by the MVFA do not lapse
24 to the state general fund and must be carried forward into the
25 subsequent fiscal year.

26
27 **CAPITAL OUTLAY**

28 Sec. 601. (1) The department shall provide for the acquisition
29 and disposition of National Guard armories, facilities, and lands



1 as provided under sections 368, 382, and 382a of the Michigan
2 military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

3 (2) The department shall provide a listing of property sales
4 and acquisitions annually.

5 Sec. 602. (1) The appropriations for armory maintenance and
6 special maintenance - National Guard must be expended in accordance
7 with the requirements of sections 302 and 305 of this part and must
8 be expended according to the maintenance priorities of the
9 department to repair and modernize military training sites and
10 support facilities, including armories.

11 (2) Not later than January 15, the department shall provide a
12 report providing information on the status, projected costs, and
13 projected completion date of current and planned special
14 maintenance projects at the armories and other National Guard
15 facilities funded from capital outlay appropriations made in part 1
16 and in previous fiscal years.

17 Sec. 603. (1) The appropriations for special maintenance -
18 veterans' facilities must be expended in accordance with the
19 requirements of section 502 of this part and must be expended
20 according to the maintenance priorities of the MVFA to repair and
21 modernize the state's veterans' facility, which may include
22 physical plant expansions, renovations, or enhancements, and other
23 projects designed to enhance the quality of life and medical care
24 of resident members.

25 (2) Not later than January 15, the MVH shall provide a report
26 providing information on the status, projected costs, and projected
27 completion date of current and planned special maintenance projects
28 at each veterans' facility funded from capital outlay
29 appropriations made in part 1 and in previous fiscal years.



ONE-TIME APPROPRIATIONS

Sec. 701. (1) 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.

(2) Not later than January 15, the department shall submit a report to the standard report recipients that includes, but is not limited to, the following information pertaining to capital improvements and infrastructure projects undertaken pursuant to subsection (1):

(a) The total cost of each improvement or project completed at any time during the previous fiscal year.

(b) The year-to-date cost, the total estimated cost, and the tentative completion date of each improvement or project that was ongoing or was not completed as of the close of the previous fiscal year.

(c) A description of each improvement or project under subdivisions (a) and (b).

(d) A breakdown of the fund sources used for each improvement or project under subdivisions (a) and (b).

(e) A description, if applicable, of the department's efforts to secure federal funds to support any improvements and projects



1 under subsection (1).

2 Sec. 702. (1) It is the intent of the legislature that the
3 federal revenues authorized by and made available from the federal
4 government for capital improvements and infrastructure projects at
5 Selfridge Air National Guard Base pursuant to section 701 should be
6 used before general fund appropriations in part 1 for the same
7 expenditures.

8 (2) Federal revenues authorized by and available from the
9 federal government in excess of the appropriations in part 1 for
10 Selfridge Air National Guard Base are appropriated and may be
11 received and expended by the department for purposes authorized
12 under state law and subject to federal requirements. The total
13 amount of federal revenues that may be received and expended under
14 this section must not exceed \$90,000,000.00.

15 (3) The department shall notify the standard report recipients
16 before expending federal revenues received and appropriated under
17 subsection (2). The notice required under this subsection must
18 include, but is not limited to, the amount and funding source of
19 the additional revenues and the projected use of the funds to be
20 expended.

21 (4) Pursuant to state law and subject to federal requirements,
22 the department may credit excess federal revenues received under
23 this section to the general fund to offset the expenditure of
24 general fund appropriations in part 1 for Selfridge Air National
25 Guard Base.

26 Sec. 703. From the funds appropriated in part 1 for state
27 veterans cemetery, the department shall expend those funds for the
28 same purposes as provided under section 601 of article 10 of 2022
29 PA 166.



1 Sec. 704. (1) From the funds appropriated in part 1 for
2 veterans nonprofit improvement grants, the MVAA shall create and
3 operate a competitive grant program that provides grants not to
4 exceed \$300,000.00 to nonprofit organizations that provide, or
5 assist in providing, services to veterans residing in this state.
6 The MVAA shall award grants to support efforts to improve or
7 upgrade facilities that are owned by the nonprofit organization
8 requesting the grant. Priority must be given to applicants with
9 demonstrable deterioration in infrastructure, as evidenced by
10 facility condition assessments, safety inspection reports, code
11 violations, or deferred maintenance records. Additional priority is
12 given to applicants that can demonstrate increased liability
13 exposure resulting from facility disrepair, including documented
14 legal claims, insurance notices, incident reports, or other
15 evidence of potential harm to staff, residents, or visitors.
16 Further priority shall be given to applicants that serve a higher
17 volume of veterans on an ongoing basis, as demonstrated by program
18 enrollment records, service logs, or other verifiable documentation
19 of veteran engagement. Grant funding must be used to support costs
20 related to improving or upgrading facilities owned by the nonprofit
21 organization requesting the grant.

22 (2) The MVAA shall require a nonprofit organization requesting
23 a grant described in subsection (1) to submit a grant application.
24 The grant application required under this subsection must include,
25 but is not limited to, an itemized list of the facilities and
26 proposed improvements to those facilities, broken down by the
27 subunit of the nonprofit organization that operates the facilities,
28 if applicable.

29 (3) From the funds appropriated in part 1 for veterans



1 nonprofit improvement grants, \$300,000.00 must be allocated to
2 cover necessary administrative and implementation costs incurred by
3 the MVAA.

4 (4) Not later than January 15, the MVAA shall provide a report
5 summarizing grant activities for the fiscal year ending September
6 30, 2026 and shall include the following information for each grant
7 issued under this grant program:

8 (a) The name of each grant recipient.

9 (b) The amount of the grant provided.

10 (c) The street address of each facility for which grant funds
11 were expended under this section.

12 (d) A brief summary of grant expenditures, broken down by each
13 grant recipient.

14 (5) As used in this section:

15 (a) "Facility" means a building or structure and a building's
16 or structure's grounds, approaches, services, and appurtenances
17 that are owned by a nonprofit organization, including, but not
18 limited to, office buildings, recreational structures, garages,
19 warehouses, parking lots, or any other framework or project
20 situated on a parcel owned by a nonprofit organization.

21 (b) "Nonprofit organization" means a statewide chapter
22 organization that satisfies the requirements of section 217 and the
23 requirements to be exempt under section 501(c)(19) of the internal
24 revenue code of 1986, 26 USC 501.

25
26 ARTICLE 13

27 DEPARTMENT OF NATURAL RESOURCES

28 PART 1

29 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	5.0	
--	-----	--

Full-time equated classified positions	2,105.5	
--	---------	--

GROSS APPROPRIATION		\$ 481,292,100
----------------------------	--	-----------------------

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	207,000	
--	---------	--

ADJUSTED GROSS APPROPRIATION		\$ 481,085,100
-------------------------------------	--	-----------------------

Federal revenues:

Total federal revenues	95,340,700	
------------------------	------------	--

Special revenue funds:

Total local revenues	0	
----------------------	---	--

Total private revenues	7,509,200	
------------------------	-----------	--

Total other state restricted revenues	338,665,000	
---------------------------------------	-------------	--

State general fund/general purpose		\$ 39,570,200
---	--	----------------------

Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT

Full-time equated unclassified positions	5.0	
--	-----	--

Full-time equated classified positions	104.1	
--	-------	--

Unclassified salaries--FTEs	5.0	\$ 814,400
-----------------------------	-----	------------

Accounting service center		1,569,600
---------------------------	--	-----------

Executive direction--FTEs	10.6	2,176,600
---------------------------	------	-----------

Finance and operations--FTEs	70.5	15,701,600
------------------------------	------	------------

Gifts and pass-through transactions		5,003,600
-------------------------------------	--	-----------



1	Legal services--FTEs	4.0	704,800
2	Minerals management--FTEs	16.0	2,480,500
3	Natural resources commission		77,100
4	Office of public lands--FTEs	3.0	1,328,200
5	Property management		3,440,600
6	GROSS APPROPRIATION	\$	33,297,000
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG, land acquisition services-to-work orders		207,000
10	Federal revenues:		
11	Federal funds		449,100
12	Special revenue funds:		
13	Private funds		5,003,600
14	Deer habitat reserve		168,100
15	Forest development fund		4,523,600
16	Forest land user charges		8,000
17	Forest recreation account		55,200
18	Game and fish protection account		6,195,300
19	Land exchange facilitation and management fund		4,553,700
20	Local public recreation facilities fund		226,300
21	Marine safety fund		887,200
22	Michigan natural resources trust fund		1,679,100
23	Michigan state parks endowment fund		3,748,800
24	Nongame wildlife fund		14,100
25	Off-road vehicle safety education fund		700
26	Off-road vehicle trail improvement fund		245,800
27	Public use and replacement deed fees		30,200
28	Recreation improvement account		89,800



1	Snowmobile registration fee revenue		51,100
2	Snowmobile trail improvement fund		133,100
3	Sportsmen against hunger fund		500
4	State park improvement account		2,114,000
5	Turkey permit fees		81,000
6	Waterfowl fees		3,400
7	Waterways account		933,500
8	Wildlife resource protection fund		44,600
9	State general fund/general purpose	\$	1,850,200
10	Sec. 103. DEPARTMENT INITIATIVES		
11	Full-time equated classified positions	15.0	
12	Great Lakes restoration initiative	\$	2,904,200
13	Invasive species prevention and control--FTEs	15.0	4,809,200
14	GROSS APPROPRIATION	\$	7,713,400
15	Appropriated from:		
16	Federal revenues:		
17	Federal funds		2,904,200
18	State general fund/general purpose	\$	4,809,200
19	Sec. 104. COMMUNICATION AND CUSTOMER SERVICES		
20	Full-time equated classified positions	95.8	
21	Marketing and outreach--FTEs	60.8	\$ 13,632,800
22	Michigan historical center--FTEs	35.0	5,396,400
23	Michigan wildlife council		1,400,000
24	GROSS APPROPRIATION	\$	20,429,200
25	Appropriated from:		
26	Federal revenues:		
27	Federal funds		2,654,700
28	State park improvement, federal		322,200



1	Special revenue funds:		
2	Forest development fund		172,900
3	Forest recreation account		18,600
4	Game and fish protection account		6,539,300
5	Land exchange facilitation and management fund		51,400
6	Marine safety fund		39,100
7	Michigan historical center operations fund		1,220,200
8	Michigan state parks endowment fund		119,600
9	Nongame wildlife fund		11,900
10	Off-road vehicle trail improvement fund		118,400
11	Recreation passport fees		646,700
12	Snowmobile registration fee revenue		21,300
13	Snowmobile trail improvement fund		105,100
14	Sportsmen against hunger fund		250,000
15	State park improvement account		4,395,300
16	Waterways account		163,900
17	Wildlife management public education fund		1,400,000
18	Youth hunting and fishing education and		
19	outreach fund		43,500
20	State general fund/general purpose	\$	2,135,100
21	Sec. 105. WILDLIFE MANAGEMENT		
22	Full-time equated classified positions	181.5	
23	Natural resources heritage--FTEs	8.0	\$ 509,200
24	Wildlife management--FTEs	173.5	43,739,200
25	GROSS APPROPRIATION	\$	44,248,400
26	Appropriated from:		
27	Federal revenues:		
28	Federal funds		26,472,600

1	Special revenue funds:		
2	Private funds		315,700
3	Cervidae licensing and inspection fees		85,100
4	Deer habitat reserve		1,824,600
5	Forest development fund		277,600
6	Game and fish protection account		12,984,400
7	Nongame wildlife fund		330,700
8	Pheasant hunting license fees		175,000
9	Turkey permit fees		1,098,000
10	Waterfowl fees		114,100
11	State general fund/general purpose	\$	570,600
12	Sec. 106. FISHERIES MANAGEMENT		
13	Full-time equated classified positions	171.0	
14	Aquatic resource mitigation--FTEs	2.0	\$ 737,200
15	Fish production--FTEs	53.0	9,516,400
16	Fisheries resource management--FTEs	116.0	19,903,200
17	GROSS APPROPRIATION	\$	30,156,800
18	Appropriated from:		
19	Federal revenues:		
20	Federal funds		12,127,700
21	Special revenue funds:		
22	Private funds		136,700
23	Fisheries settlement		737,100
24	Game and fish protection account		17,155,200
25	Invasive species fund		100
26	State general fund/general purpose	\$	0
27	Sec. 107. LAW ENFORCEMENT		
28	Full-time equated classified positions	235.0	



1	Body cameras for conservation officers--FTEs	5.0	\$	857,500
2	General law enforcement--FTEs	230.0		47,037,500
3	GROSS APPROPRIATION		\$	47,895,000
4	Appropriated from:			
5	Federal revenues:			
6	Federal funds			6,991,100
7	Special revenue funds:			
8	Cervidae licensing and inspection fees			53,400
9	Forest development fund			45,400
10	Forest recreation account			72,800
11	Game and fish protection account			21,473,200
12	Marine safety fund			1,397,400
13	Michigan state parks endowment fund			71,400
14	Off-road vehicle safety education fund			171,500
15	Off-road vehicle trail improvement fund			2,864,100
16	Snowmobile registration fee revenue			726,800
17	State park improvement account			72,800
18	Waterways account			21,700
19	Wildlife resource protection fund			1,160,700
20	State general fund/general purpose		\$	12,772,700
21	Sec. 108. PARKS AND RECREATION DIVISION			
22	Full-time equated classified positions	965.6		
23	Forest recreation and trails--FTEs	77.7	\$	13,263,400
24	MacMullan Conference Center--FTEs	11.0		652,200
25	Recreational boating--FTEs	161.3		20,830,400
26	State parks--FTEs	715.6		98,291,400
27	GROSS APPROPRIATION		\$	133,037,400
28	Appropriated from:			



1	Federal revenues:		
2	Federal funds		144,200
3	Michigan state waterways fund, federal		1,747,800
4	Special revenue funds:		
5	Private funds		428,300
6	Forest recreation account		5,989,300
7	MacMullan Conference Center account		652,200
8	Michigan state parks endowment fund		11,470,900
9	Off-road vehicle safety education fund		7,700
10	Off-road vehicle trail improvement fund		2,229,100
11	Pure Michigan trails fund		100
12	Recreation improvement account		585,500
13	Recreation passport fees		220,300
14	Snowmobile registration fee revenue		16,800
15	Snowmobile trail improvement fund		2,019,500
16	State park improvement account		84,891,500
17	State park improvement account - Belle Isle		
18	subaccount		875,000
19	Waterways account		19,109,200
20	State general fund/general purpose	\$	2,650,000
21	Sec. 109. MACKINAC ISLAND STATE PARK COMMISSION		
22	Full-time equated classified positions	11.0	
23	Historical facilities system--FTEs	9.0	\$ 1,313,300
24	Mackinac Island State Park operations--FTEs	2.0	42,300
25	GROSS APPROPRIATION	\$	1,355,600
26	Appropriated from:		
27	Special revenue funds:		
28	Mackinac Island State Park fund		1,313,300



1	Mackinac Island State Park operation fund		42,300
2	State general fund/general purpose	\$	0
3	Sec. 110. FOREST RESOURCES DIVISION		
4	Full-time equated classified positions	326.5	
5	Adopt-a-forest program	\$	25,000
6	Cooperative resource programs--FTEs	9.0	1,350,600
7	Forest fire equipment		931,500
8	Forest management and timber market		
9	development--FTEs	179.0	46,286,100
10	Forest management initiatives--FTEs	8.5	944,200
11	Wildfire protection--FTEs	130.0	20,969,000
12	GROSS APPROPRIATION	\$	70,506,400
13	Appropriated from:		
14	Federal revenues:		
15	Federal funds		5,249,500
16	Federal national forest timber fund		9,101,000
17	Special revenue funds:		
18	Private funds		1,624,900
19	Commercial forest fund		26,000
20	Fire equipment fund		668,700
21	Forest development fund		41,777,100
22	Forest land user charges		246,000
23	Game and fish protection account		825,800
24	Waterways account		55,000
25	State general fund/general purpose	\$	10,932,400
26	Sec. 111. GRANTS		
27	Dam management grant program	\$	350,000
28	Deer habitat improvement partnership initiative		200,000



1	Federal - clean vessel act grants	400,000
2	Federal - forest stewardship grants	2,000,000
3	Federal - rural community fire protection	1,050,000
4	Fisheries habitat improvement grants	1,250,000
5	Grants to communities - federal oil, gas, and	
6	timber payments	3,450,000
7	Grants to counties - marine safety	3,074,700
8	National recreational trails	3,909,200
9	Nonmotorized trail development and maintenance	
10	grants	200,000
11	Off-road vehicle safety training grants	60,000
12	Off-road vehicle trail improvement grants	5,415,500
13	Recreation improvement fund grants	916,800
14	Recreation passport local grants	2,000,000
15	Snowmobile law enforcement grants	380,100
16	Snowmobile local grants program	7,090,400
17	Trail easements	700,000
18	Wildlife habitat improvement grants	1,502,500
19	GROSS APPROPRIATION	\$ 33,949,200
20	Appropriated from:	
21	Federal revenues:	
22	Federal funds	12,476,600
23	Special revenue funds:	
24	Deer habitat reserve	200,000
25	Game and fish protection account	2,752,500
26	Local public recreation facilities fund	2,000,000
27	Marine safety fund	1,407,300
28	Off-road vehicle safety education fund	60,000

1	Off-road vehicle trail improvement fund	5,415,500
2	Permanent snowmobile trail easement fund	700,000
3	Recreation improvement account	916,800
4	Snowmobile registration fee revenue	380,100
5	Snowmobile trail improvement fund	7,090,400
6	State general fund/general purpose	\$ 550,000
7	Sec. 112. INFORMATION TECHNOLOGY	
8	Information technology services and projects	\$ 9,153,700
9	GROSS APPROPRIATION	\$ 9,153,700
10	Appropriated from:	
11	Special revenue funds:	
12	Commercial forest fund	2,100
13	Deer habitat reserve	61,600
14	Forest development fund	1,567,700
15	Forest land user charges	23,900
16	Forest recreation account	43,800
17	Game and fish protection account	3,573,300
18	Land exchange facilitation and management fund	30,600
19	Marine safety fund	165,200
20	Michigan natural resources trust fund	24,600
21	Michigan state parks endowment fund	1,357,600
22	Nongame wildlife fund	30,500
23	Off-road vehicle safety education fund	10,400
24	Off-road vehicle trail improvement fund	24,300
25	Pure Michigan trails fund	100
26	Recreation improvement account	49,200
27	Snowmobile registration fee revenue	11,600
28	Snowmobile trail improvement fund	75,500



1	Sportsmen against hunger fund	600
2	State park improvement account	1,513,500
3	Turkey permit fees	33,800
4	Waterfowl fees	3,300
5	Waterways account	506,400
6	Wildlife resource protection fund	42,100
7	Youth hunting and fishing education and	
8	outreach fund	2,000
9	State general fund/general purpose	\$ 0
10	Sec. 113. CAPITAL OUTLAY	
11	(1) RECREATIONAL LANDS AND INFRASTRUCTURE	
12	Federal - land and water conservation fund	
13	payments	\$ 12,900,000
14	Off-road vehicle trail development and	
15	maintenance	1,000,000
16	Snowmobile trail development and maintenance	1,000,000
17	State parks repair and maintenance	20,050,000
18	Wetland restoration, enhancement, and	
19	acquisition	2,800,000
20	GROSS APPROPRIATION	\$ 37,750,000
21	Appropriated from:	
22	Federal revenues:	
23	Federal funds	12,900,000
24	Special revenue funds:	
25	Michigan state parks endowment fund	4,600,000
26	Off-road vehicle trail improvement fund	1,000,000
27	Recreation passport fees	13,950,000
28	Snowmobile trail improvement fund	1,000,000

1	Waterfowl hunt stamp	1,000,000
2	State general fund/general purpose	\$ 3,300,000
3	(2) WATERWAYS BOATING PROGRAM	
4	Local boating infrastructure maintenance and	
5	improvements	\$ 3,500,000
6	State boating infrastructure maintenance	8,300,000
7	GROSS APPROPRIATION	\$ 11,800,000
8	Appropriated from:	
9	Federal revenues:	
10	Federal funds	1,500,000
11	Michigan state waterways fund, federal	300,000
12	Special revenue funds:	
13	Waterways account	10,000,000
14	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 from state sources under part 1 is \$378,235,200.00 and total state spending under part 1 from state sources to be paid to local units of government is \$11,252,900.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES

27	Dam management grant program	\$ 175,000
----	------------------------------	------------



1	Fisheries habitat improvement grants	125,000
2	Grants to counties - marine safety	1,407,300
3	Invasive species prevention and control	2,360,000
4	Local boating infrastructure maintenance and	3,500,000
5	improvements	
6	Nonmotorized trail development and maintenance	100,000
7	grants	
8	Off-road vehicle safety training grants	60,000
9	Off-road vehicle trail improvement grants	903,500
10	Recreation improvement fund grants	91,700
11	Recreation passport local grants	2,000,000
12	Snowmobile law enforcement grants	380,100
13	Wildlife habitat improvement grants	150,300
14	TOTAL	\$ 11,252,900

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

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

19 (a) "Department" means the department of natural resources.

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

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

22 (d) "IDG" means interdepartmental grant.

23 (e) "Standard report recipients" means the senate
24 appropriations subcommittee on agriculture and natural resources,
25 the house appropriations subcommittee on agriculture and rural
26 development and natural resources, the senate and house fiscal
27 agencies, the senate and house policy offices, and the state budget
28 office.

29 Sec. 204. If the state administrative board, acting under



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

6 Sec. 205. The department shall not take disciplinary action
7 against an employee of the department for communicating with a
8 member of the legislature or legislative staff unless the
9 communication is prohibited by law and the department is exercising
10 its authority as provided by law.

11 Sec. 206. To the extent permissible under section 261 of the
12 management and budget act, 1984 PA 431, MCL 18.1261, all of the
13 following apply to the expenditure of funds appropriated in part 1:

14 (a) The funds must not be used for the purchase of foreign
15 goods or services, or both, if competitively priced and of
16 comparable quality American goods or services, or both, are
17 available.

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

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

25 Sec. 207. The department shall use the internet to fulfill the
26 reporting requirements of this part. This requirement includes
27 transmitting reports to the standard report recipients and any
28 other required recipients by email and posting the reports on an
29 internet site.



1 Sec. 208. The department shall receive and retain copies of
2 all reports funded from appropriations in part 1. The department
3 shall follow federal and state guidelines for short-term and long-
4 term retention of records. The department may electronically retain
5 copies of reports unless otherwise required by federal and state
6 guidelines.

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

16 Sec. 210. Not later than 14 days after the release of the
17 executive budget recommendation, the department shall cooperate
18 with the state budget office to provide an annual report on the
19 estimated state restricted fund balances, state restricted fund
20 projected revenues, and state restricted fund expenditures for the
21 previous 2 fiscal years. The report must be submitted to the
22 standard report recipients and the chairpersons of the senate and
23 house appropriations committees.

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

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



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

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

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

7 (e) The number of in-person hours and remote hours worked by
8 employees by job classification. In-person and remote work hours
9 must be listed by month and the fourth quarter report must include
10 a cumulative total for the fiscal year.

11 (f) Job specifications and wage rates.

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

15 Sec. 212. Consistent with section 217 of the management and
16 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
17 a report on out-of-state travel expenses not later than January 1.
18 The report must list all travel by classified and unclassified
19 employees outside this state in the previous fiscal year that was
20 funded in whole or in part with funds appropriated in the
21 department's budget. The department shall submit the report to the
22 standard report recipients and to the senate and house
23 appropriations committees. The report must include all of the
24 following information:

25 (a) The dates of each travel occurrence.

26 (b) The total transportation and related expenses of each
27 travel occurrence and the proportions funded with state general
28 fund/general purpose revenues, state restricted revenues, federal
29 revenues, and other revenues.



1 Sec. 213. On a quarterly basis, the department shall report on
2 the number of full-time equated positions in pay status by civil
3 service classification, including a comparison by line item of the
4 number of full-time equated positions authorized from funds
5 appropriated in part 1 to the actual number of full-time equated
6 positions employed by the department at the end of the reporting
7 period. The report must be submitted to the senate and house
8 appropriations committees and the standard report recipients.

9 Sec. 214. Not later than April 1, the department shall report
10 on each specific policy change made to implement a public act
11 affecting the department that took effect during the previous
12 calendar year. The report must include reference to the public act
13 number. The department shall submit the report to the standard
14 report recipients, the senate and house appropriations committees,
15 and the joint committee on administrative rules.

16 Sec. 215. (1) From the funds appropriated in part 1, the
17 department shall do the following:

18 (a) Report to the standard report recipients and the senate
19 and house appropriations committees, any amounts of severance pay
20 for a department director, deputy director, or other high-ranking
21 department official not later than 14 days after a severance
22 agreement with the director, deputy director, or official is
23 signed. The name of the director, deputy director, or official and
24 the amount of severance pay must be included in the report required
25 by this subdivision.

26 (b) Not later than February 1, report on the total amount of
27 severance pay remitted to former department employees during the
28 prior fiscal year and the total number of former department
29 employees that were remitted severance pay during the prior fiscal



1 year.

2 (2) As used in this section, "severance pay" means
3 compensation that is both payable or paid upon the termination of
4 employment and in addition to either wages or benefits earned
5 during the course of employment or generally applicable retirement
6 benefits.

7 Sec. 216. (1) The department shall maximize the efficiency of
8 the state workforce. The department shall prioritize employees
9 working in person 5 days per week for each division within the
10 department. Employees with job responsibilities that require the
11 employees to serve in their capacities outside of the office must
12 report to the office before beginning fieldwork. Field service
13 employees include, but are not limited to, protective services
14 workers, parole and probation officers, conservation officers,
15 state troopers assigned to road patrol, inspectors, and
16 construction and trade workers.

17 (2) The department shall establish a policy and process for
18 verifying that all employees are working their jobs during normal
19 business hours.

20 (3) The department shall provide information on employee badge
21 scanning when requested by a member of the legislature.

22 Sec. 217. (1) Funds appropriated in part 1 that are utilized
23 for grants or grant programs are subject to the following
24 conditions:

25 (a) Grant funds must be provided only to an entity that is
26 established or operating in this state or another state for more
27 than 3 years before approval or disbursement of grant funds.

28 (b) Grant funds shall be provided only to an entity that has
29 an office in this state or in the service area covered under the



1 grant for at least 12 months before approval or disbursement of
2 grant funds.

3 (c) Before awarding or disbursing grant funds, all grant
4 recipients must provide a spending plan that specifies the scope of
5 service, program goals, measurement for meeting program goals, and
6 how all grant funds will be used and must indicate if any grant
7 funds will be provided to a third party or subrecipient.

8 (d) Up to 20% of grant funds may be spent on administrative
9 costs and salaries. Up to 10% is authorized for contingencies.

10 (e) Each department or agency responsible for awarding or
11 disbursing grant funds must annually audit the entity's use of the
12 grant funds for each fiscal year in which the grant is active. Each
13 entity must submit information requested by the department to
14 confirm compliance.

15 (f) Each department and agency shall work with the office of
16 the auditor general to conduct an audit of the grant according to
17 generally accepted accounting practices and audit standards. The
18 office of the auditor general must be given access to all internal
19 and external records. All contracts or agreements between a
20 department or agency and a grant recipient or between a grant
21 recipient and a third party must include a clause granting the
22 office of the auditor general access to all internal and external
23 records.

24 (g) Grant recipients and their immediate family members are
25 prohibited from being employed by the executive branch or
26 legislative branch of this state. In addition, grant recipients are
27 prohibited from serving on any state board that has direct or
28 indirect responsibility for approving of or auditing grant funds
29 awarded or disbursed by any department or agency.



1 (h) Full and complete audits of grant funds issued by the
2 department or an agency of this state, without redaction unless
3 required by law, must be posted to the department's website in a
4 conspicuous place for public review.

5 (2) On a quarterly basis, the department shall submit a report
6 to the standard report recipients on legislatively sponsored grant
7 funds that includes, but is not limited to, all of the following:

8 (a) The name of each grant recipient and the status of each
9 grant.

10 (b) The amount distributed to each grant recipient.

11 (c) The remaining amount to be distributed to each grant
12 recipient.

13 (d) Any changes to scope or costs of program.

14 (3) The report under subsection (2) must include the following
15 statements made by the department:

16 (a) A statement that the department reviewed and confirmed
17 each grant recipient's compliance with conditions on the use of the
18 grant funds and other program requirements.

19 (b) A statement that confirms the department reviewed
20 applicable program reports and requests for reimbursement.

21 Sec. 218. (1) The department shall require as a condition of
22 each contract or subcontract that the prequalified contractor or
23 prequalified subcontractor agree to use the E-Verify system to
24 verify that all persons hired during the contract term by the
25 contractor or subcontractor are legally present and authorized to
26 work in the United States.

27 (2) The department may verify this information directly or may
28 require contractors and subcontractors to verify the information
29 and submit a certification to the department. The department shall



1 submit a report to the standard report recipients not later than
2 March 1 that describes the processes it has developed and
3 implemented under provisions of this section.

4 (3) The department shall not contract with any foreign
5 entities that are known or suspected to be enemies of the United
6 States or known foreign adversaries. Foreign adversaries include
7 all of the following:

8 (a) The People's Republic of China.

9 (b) The Russian Federation.

10 (c) The Islamic Republic of Iran.

11 (d) The Democratic People's Republic of Korea.

12 (e) The Republic of Cuba.

13 (f) The Venezuelan regime of Nicolás Maduro.

14 (g) The Syrian Arab Republic.

15 (h) An agency or other entity under significant control of a
16 country described in subdivisions (a) to (g).

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

21 Sec. 219. Funds appropriated in part 1 from state or federal
22 sources are prohibited from being used to provide services, grants,
23 or programming to individuals who are not citizens of the United
24 States, unless the individuals are qualified aliens under 8 USC
25 1641. Nothing in this section prohibits the department, political
26 subdivision, state university, or other state agency from expending
27 funds for the purpose of detaining individuals who are not citizens
28 of the United States, including any costs associated with housing
29 such individuals in county jails or state correctional facilities.



1 Sec. 221. In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$5,000,000.00 for
3 state restricted contingency authorization. These funds are not
4 available for expenditure until they have been transferred to
5 another line item in part 1 under section 393(2) of the management
6 and budget act, 1984 PA 431, MCL 18.1393.

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

10 Sec. 223. The department shall submit a quarterly report that
11 summarizes all work project accounts. The report must include all
12 of the following:

13 (a) A list of all work project accounts.

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

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

21 Sec. 224. Total authorized appropriations from all sources
22 under part 1 for legacy costs for the fiscal year ending September
23 30, 2026 are estimated at \$30,101,500.00. From this amount, total
24 department appropriations for pension-related legacy costs are
25 estimated at \$27,149,700.00. Total department appropriations for
26 retiree health care legacy costs are estimated at \$2,951,800.00.

27 Sec. 225. (1) The department shall maintain, on a publicly
28 accessible website, a department scorecard that identifies, tracks,
29 and updates on a quarterly basis key metrics that are used to



1 monitor and improve the department's performance.

2 (2) The department must notify the standard report recipients
3 when the quarterly updates to the department scorecard are
4 available on a publicly accessible website.

5 Sec. 226. (1) Unless specifically authorized elsewhere in this
6 part or part 1, funds appropriated in part 1 must not be used to
7 pay for a state obligation that exceeds \$200,000.00 for a court-
8 approved judgment, settlement, award, or claim without prior
9 legislative approval.

10 (2) If a state obligation for a court-approved judgment,
11 settlement, award, or claim results in a change from current
12 statute, the department shall notify the legislature.

13 (3) This section does not apply to compensation and other
14 relief to individuals wrongfully imprisoned as required under the
15 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
16 to 691.1757.

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

25 Sec. 228. State funds must not be used for diversity, equity,
26 and inclusion, or DEI, initiatives or programs or as outlined in
27 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
28 Radical and Wasteful Government DEI Programs and Preferencing",
29 Exec. Order No. 14168, 90 Fed. Reg. 8614 (Jan. 30, 2025) "Defending



Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 229. (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	\$	455,000
Waterways account		111,600
State park improvement account		122,000
Forest development fund		239,000

(b) Department of attorney general:

Game and fish protection account	\$	614,200
Waterways account		136,700

(c) Legislative auditor general:

Game and fish protection account	\$	38,000
Waterways account		13,700

(d) Department of treasury:

Game and fish protection account	\$	4,374,900
Waterways account		466,100
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.



1 (b) Forest development fund.

2 (c) Michigan natural resources trust fund.

3 (d) Michigan state parks endowment fund.

4 (e) Michigan nongame fish and wildlife trust fund.

5 Sec. 230. Pursuant to section 43703(3) of the natural
6 resources and environmental protection act, 1994 PA 451, MCL
7 324.43703, there is appropriated from the Michigan game and fish
8 protection trust fund to the game and fish protection account of
9 the Michigan conservation and recreation legacy fund, \$6,000,000.00
10 for the fiscal year ending September 30, 2026.

11 Sec. 231. The department may contract with or provide grants
12 to local units of government, institutions of higher education, or
13 nonprofit organizations to support activities authorized by
14 appropriations in part 1. As used in this section, contracts and
15 grants include, but are not limited to, contracts and grants for
16 research, wildlife and fisheries management, forest management,
17 invasive species monitoring and control, and natural-resource-
18 related programs.

19 Sec. 232. (1) The department may accept monetary and
20 nonmonetary gifts, bequests, donations, contributions, or grants
21 from any private or public source to support, in whole or in part,
22 a departmental function or program. The department shall expend or
23 use such gifts, bequests, donations, contributions, or grants for
24 the purposes designated by the private or public source, if the
25 purpose is specified.

26 (2) Amounts remaining from revenue collected by the department
27 under this section that are unexpended and unencumbered must not
28 lapse to the general fund but must be carried forward to the
29 subsequent fiscal year.



1 Sec. 233. Funds appropriated in part 1 must not be expended
2 for utility scale solar or wind development projects.

3
4 **DEPARTMENT INITIATIVES**

5 Sec. 251. From the amounts appropriated in part 1 for invasive
6 species prevention and control, the department shall allocate not
7 less than \$3,600,000.00 for grants for the prevention, detection,
8 eradication, and control of invasive species.

9 Sec. 252. (1) In addition to the funds appropriated in part 1,
10 revenue deposited in the invasive species fund created in section
11 41311 of the natural resources and environmental protection act,
12 1994 PA 451, MCL 324.41311, is appropriated and may be expended for
13 invasive species immediate response efforts.

14 (2) The department shall annually notify the house and senate
15 appropriations subcommittees on natural resources and the house and
16 senate fiscal agencies of any expenditure of funds appropriated
17 under subsection (1).
18

19 **DEPARTMENT SUPPORT SERVICES**

20 Sec. 302. The department may charge land acquisition projects
21 appropriated for the fiscal year ending September 30, 2026, and for
22 prior fiscal years, a standard percentage fee to recover actual
23 costs, and may use the revenue derived to fund the land acquisition
24 service charges provided for in part 1.

25 Sec. 303. As appropriated in part 1, the department may charge
26 both application fees and transaction fees related to the exchange
27 or sale of state-owned land or rights in land authorized by part 21
28 of the natural resources and environmental protection act, 1994 PA
29 451, 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.

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.

LAW ENFORCEMENT DIVISION

Sec. 601. All FTE positions appropriated in part 1 for general law enforcement must be conservation officers as described under section 1606 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1606.

PARKS AND RECREATION DIVISION

Sec. 701. The department must provide the choice to opt in to



1 purchasing a recreation passport.

2 Sec. 702. From the funds appropriated in part 1, the
3 department must establish a 1-day pass option to visit all state
4 park facilities. The fee for a 1-day pass may not exceed 1/2 of the
5 annual fee for the annual recreation passport.

6
7 **FOREST RESOURCES DIVISION**

8 Sec. 802. From the funds appropriated in part 1, the
9 department shall, by January 1, prepare and submit to the senate
10 appropriations subcommittee on agriculture and natural resources,
11 the house appropriations subcommittee on agriculture and rural
12 development and natural resources, and the standing committees of
13 the senate and house with primary responsibility for natural
14 resources issues a report on all of the following:

15 (a) The number of acres of state forestland prepared for
16 timber harvesting in the prior fiscal year.

17 (b) The number of acres of state forestland timber sold in the
18 prior fiscal year.

19 (c) The amount of revenue generated by the timber sale and
20 harvesting of state land in the prior fiscal year.

21 Sec. 803. In addition to the money appropriated in part 1, the
22 department may receive and expend money from federal sources to
23 provide response to wildfires and hazard incidents as required by a
24 compact with the federal government. If additional expenditure
25 authorization is required, the department shall so notify the state
26 budget office. The department shall notify the senate
27 appropriations subcommittee on agriculture and natural resources,
28 the house appropriations subcommittee on agriculture
29 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.

Sec. 1002. Unless the county board of commissioners of a county adopts a resolution committing the county to enforce federal executive orders and statutes related to immigration, the county is not eligible to receive funding in part 1 for grants to counties - marine safety.

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.

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	2.0
--	-----

Full-time equated classified positions	3,420.5
--	---------

GROSS APPROPRIATION	\$ 886,821,100
----------------------------	-----------------------

Interdepartmental grant revenues:	
-----------------------------------	--

Total interdepartmental grants and	
------------------------------------	--

intradepartmental transfers	27,189,800
-----------------------------	------------



1	ADJUSTED GROSS APPROPRIATION		\$ 859,631,300
2	Federal revenues:		
3	Total federal revenues		97,107,300
4	Special revenue funds:		
5	Total local revenues		4,975,700
6	Total private revenues		35,000
7	Total other state restricted revenues		162,555,200
8	State general fund/general purpose	\$	594,958,100
9	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
10	SUPPORT		
11	Full-time equated unclassified positions	2.0	
12	Full-time equated classified positions	99.0	
13	Unclassified salaries--FTEs	2.0	\$ 648,900
14	Department services--FTEs	25.0	8,299,100
15	Departmentwide		49,000,000
16	Executive direction--FTEs	45.0	7,359,900
17	Mobile office and system support--FTEs	29.0	6,089,700
18	GROSS APPROPRIATION	\$	71,397,600
19	Appropriated from:		
20	IDG from department of transportation, state		
21	trunkline fund		41,100
22	IDG from department of treasury, casino gaming		
23	fees		406,000
24	IDG, training academy charges		192,200
25	IDT, auto theft funds		1,500
26	IDT, truck safety funds		54,500
27	Federal revenues:		
28	DHS		32,400



1	DOJ	12,800
2	DOJ, interest bearing	9,900
3	DOT	262,500
4	Federal indirect funds	1,716,600
5	Special revenue funds:	
6	Local funds - AFIS fees	100
7	Local funds - LEIN fees	800
8	Local funds - reimbursed services	300
9	Local funds - school bus revenue	7,200
10	Auto theft prevention fund	29,600
11	Criminal justice information center service	
12	fees	2,567,800
13	Drunk driving prevention and training fund	3,000
14	Forensic science reimbursement fees	48,800
15	Hazardous materials training center fees	47,900
16	Highway safety fund	257,000
17	Marihuana regulatory fund	254,700
18	Michigan justice training fund	3,700
19	Michigan merit award trust fund	15,900
20	Motor carrier fees	337,800
21	Narcotics-related forfeiture revenue	400
22	Nuclear plant emergency planning reimbursement	22,500
23	Precision driving track fees	800
24	Reimbursed services	300
25	Secondary road patrol and training fund	100
26	Sex offenders registration fund	800
27	State forensic laboratory fund	84,600



1	State police administrator and coordinator 911		
2	fund		25,800
3	State police service fees		400
4	State services fee fund		208,700
5	Tobacco tax revenue		111,000
6	Traffic law enforcement and safety fund		476,600
7	Vehicle sales proceeds		604,000
8	State general fund/general purpose	\$	63,557,500
9	Sec. 103. LAW ENFORCEMENT SERVICES		
10	Full-time equated classified positions	576.0	
11	Biometrics and identification--FTEs	60.0	\$ 11,563,600
12	Criminal justice information center--FTEs	154.0	29,473,200
13	Forensic science--FTEs	277.0	49,443,200
14	Grants and community services--FTEs	40.0	23,334,300
15	Office of school safety--FTEs	6.0	1,379,700
16	State 911 administration--FTEs	5.0	1,140,200
17	Training operations--FTEs	34.0	7,739,500
18	Trooper recruit school onboarding, training,		
19	and outfitting		5,000,000
20	GROSS APPROPRIATION	\$	129,073,700
21	Appropriated from:		
22	IDG from department of state		405,000
23	IDG from department of transportation, state		
24	trunkline fund		753,900
25	IDG, training academy charges		2,810,600
26	Intradepartmental transfers		750,000
27	Federal revenues:		
28	DOJ		14,593,700



1	DOJ, interest bearing		4,011,700
2	DOT		662,700
3	Special revenue funds:		
4	Local funds - SRMS fees		919,200
5	Private donations		20,000
6	Auto theft prevention fund		8,242,800
7	Criminal justice information center service		
8	fees		24,889,700
9	Drunk driving prevention and training fund		200,800
10	Forensic science reimbursement fees		1,017,900
11	Motor carrier fees		142,200
12	Precision driving track fees		335,100
13	Sex offenders registration fund		395,800
14	State forensic laboratory fund		767,600
15	State police administrator and coordinator 911		
16	fund		1,140,200
17	State services fee fund		8,217,700
18	Student safety fund		250,000
19	Traffic crash revenue		581,700
20	State general fund/general purpose	\$	57,965,400
21	Sec. 104. FIELD SERVICES		
22	Full-time equated classified positions	2,098.5	
23	Investigative services--FTEs	148.5	\$ 41,386,200
24	Post operations--FTEs	1,950.0	379,438,500
25	Trooper pay increases and economic adjustments		46,327,900
26	GROSS APPROPRIATION	\$	467,152,600
27	Appropriated from:		



1	IDG from department of transportation, state		
2	trunkline fund		2,100
3	IDG from department of treasury, casino gaming		
4	fees		6,243,600
5	IDT, auto theft funds		1,150,500
6	Federal revenues:		
7	DOJ		4,655,900
8	DOT		2,152,000
9	Forfeiture revenue		544,100
10	Reimbursed services, federal investigations		3,997,700
11	Special revenue funds:		
12	Local funds - reimbursed services		1,235,500
13	Bottle bill enforcement fund		777,600
14	Highway safety fund		10,524,700
15	Marihuana regulation fund		3,196,900
16	Marihuana regulatory fund		2,507,600
17	Michigan merit award trust fund		857,300
18	Narcotics-related forfeiture revenue		1,541,100
19	Nonnarcotic forfeiture revenue		50,600
20	Rental of department aircraft		900
21	State police service fees		6,444,000
22	Tobacco tax revenue		5,251,100
23	Traffic law enforcement and safety fund		28,164,200
24	Trooper school recruitment fund		5,073,900
25	State general fund/general purpose	\$	382,781,300
26	Sec. 105. SPECIALIZED SERVICES		
27	Full-time equated classified positions	647.0	
28	Commercial vehicle enforcement--FTEs	211.0 \$	39,235,700



1	Emergency management and homeland security--		
2	FTEs	64.0	16,973,800
3	Hazardous materials programs--FTEs	25.0	23,636,000
4	Highway safety planning--FTEs	25.0	20,519,800
5	Intelligence operations--FTEs	233.0	35,424,200
6	Secondary road patrol program--FTE	1.0	15,008,200
7	Special operations--FTEs	88.0	20,375,500
8	GROSS APPROPRIATION	\$	171,173,200
9	Appropriated from:		
10	IDG from department of transportation, state		
11	trunkline fund		11,702,900
12	IDG from department of treasury, public safety		
13	answer point training 911 fund		100,000
14	Intradepartmental transfers		2,055,200
15	Federal revenues:		
16	DHS		31,924,100
17	DOT		31,570,800
18	Special revenue funds:		
19	Local funds - school bus revenue		1,860,900
20	Private donations		15,000
21	Bottle bill enforcement fund		230,000
22	Criminal justice information center service		
23	fees		427,400
24	Hazardous materials training center fees		749,700
25	Marihuana regulation fund		256,900
26	Marihuana regulatory fund		389,900
27	Motor carrier fees		9,067,000
28	Nuclear plant emergency planning reimbursement		2,430,000



1	Reimbursed services	1,722,200
2	Rental of department aircraft	51,500
3	Secondary road patrol and training fund	15,008,200
4	State police dispatch operator 911 fund	681,900
5	Truck driver safety fund	3,975,700
6	State general fund/general purpose	\$ 56,953,900
7	Sec. 106. INFORMATION TECHNOLOGY	
8	Information technology services and projects	\$ 28,224,000
9	GROSS APPROPRIATION	\$ 28,224,000
10	Appropriated from:	
11	IDG from department of transportation, state	
12	trunkline fund	364,700
13	IDG from department of treasury, casino gaming	
14	fees	122,800
15	IDG, training academy charges	11,500
16	Intradepartmental transfers	21,700
17	Federal revenues:	
18	DHS	119,400
19	DOJ	580,400
20	DOT	260,600
21	Special revenue funds:	
22	Local funds - AFIS fees	80,000
23	Local funds - LEIN fees	851,300
24	Local funds - school bus revenue	20,400
25	Auto theft prevention fund	5,800
26	Criminal justice information center service	
27	fees	9,763,100
28	Drunk driving prevention and training fund	3,400



1	Forensic science reimbursement fees	71,400
2	Highway safety fund	86,300
3	Marihuana regulatory fund	722,500
4	Michigan merit award trust fund	3,200
5	Motor carrier fees	392,700
6	Nuclear plant emergency planning reimbursement	12,000
7	Sex offenders registration fund	213,300
8	State forensic laboratory fund	105,500
9	State police administrator and coordinator 911	
10	fund	6,700
11	State police dispatch operator 911 fund	64,300
12	State services fee fund	78,800
13	Tobacco tax revenue	20,000
14	Traffic crash revenue	230,600
15	Traffic law enforcement and safety fund	111,600
16	State general fund/general purpose	\$ 13,900,000
17	Sec. 107. ONE-TIME APPROPRIATIONS	
18	Cold case investigations	\$ 600,000
19	Disaster and emergency contingency fund	8,200,000
20	Law enforcement training for communicating with	
21	limited English speaking communities and those	
22	deaf and hard of hearing	1,000,000
23	Public safety academy assistance programs	10,000,000
24	GROSS APPROPRIATION	\$ 19,800,000
25	Appropriated from:	
26	State general fund/general purpose	\$ 19,800,000

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 \$757,513,300.00 and total state spending under part 1 from state sources to be paid to local units of government is \$34,200,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE POLICE

Disaster and emergency contingency fund	\$	8,200,000
Law enforcement communication training		1,000,000
Public safety academy assistance programs		10,000,000
Secondary road patrol program		15,000,000
TOTAL	\$	34,200,000

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) "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



1 Transportation.

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

4 (j) "IDG" means interdepartmental grant.

5 (k) "LEIN" means the law enforcement information network.

6 (l) "MCOLES" means the Michigan commission on law enforcement
7 standards created in section 3 of the Michigan commission on law
8 enforcement standards act, 1965 PA 203, MCL 28.603.

9 (m) "SIGMA" means the statewide integrated governmental
10 management application.

11 (n) "SRMS" means the state records management system.

12 (o) "Standard report recipients" means the senate and house
13 appropriations subcommittees on state police, the senate and house
14 fiscal agencies, the senate and house policy offices, and the state
15 budget office.

16 Sec. 204. If the state administrative board, acting under
17 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
18 appropriated under part 1, the legislature may, by a concurrent
19 resolution adopted by a majority of the members elected to and
20 serving in each house, inter-transfer funds within part 1 for the
21 particular department, board, commission, officer, or institution.

22 Sec. 205. The department shall not take disciplinary action
23 against an employee of the department because the employee
24 communicates with a member of the legislature or legislative staff
25 unless the communication is prohibited by law and the department is
26 exercising its authority as provided by law.

27 Sec. 206. To the extent permissible under section 261 of the
28 management and budget act, 1984 PA 431, MCL 18.1261, all of the
29 following apply to the expenditure of funds appropriated in part 1:



1 (a) The funds must not be used for the purchase of foreign
2 goods or services, or both, if competitively priced and of
3 comparable quality American goods or services, or both, are
4 available.

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

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

12 Sec. 207. The department shall use the internet to fulfill the
13 reporting requirements of this part. This requirement includes
14 transmitting reports to the standard report recipients and any
15 other required recipients by email and posting the reports on an
16 internet site.

17 Sec. 208. The department shall receive and retain copies of
18 all reports funded from appropriations in part 1. The department
19 shall follow federal and state law and guidelines for short-term
20 and long-term retention of records. The department may
21 electronically retain copies of reports unless otherwise required
22 by federal and state guidelines.

23 Sec. 209. Not later than December 15, the state budget office
24 shall prepare and submit a report that provides estimates of the
25 total general fund/general purpose appropriation lapses at the
26 close of the previous fiscal year. The report must summarize the
27 projected year-end general fund/general purpose appropriation
28 lapses by major departmental program or program area. The state
29 budget office shall submit the report to the standard report



1 recipients and to the chairpersons of the senate and house
2 appropriations committees.

3 Sec. 210. Not later than 14 days after the release of the
4 executive budget recommendation, the department shall cooperate
5 with the state budget office to provide an annual report on
6 estimated state restricted fund balances, state restricted fund
7 projected revenues, and state restricted fund expenditures for the
8 previous 2 fiscal years. The report must be submitted to the
9 standard report recipients and to the chairpersons of the senate
10 and house appropriations committees.

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

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

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

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

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

24 Sec. 212. Consistent with section 217 of the management and
25 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
26 a report on out-of-state travel expenses not later than January 1.
27 The report must list all travel outside this state by classified
28 and unclassified employees in the previous fiscal year that was
29 funded in whole or in part with funds appropriated in the



1 department's budget. The department shall submit the report to the
2 standard report recipients and to the senate and house
3 appropriations committees. The report must include the following
4 information:

5 (a) The dates of each travel occurrence.

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

11 Sec. 213. On a quarterly basis, the department shall report on
12 the number of full-time equated positions in pay status by civil
13 service classification, including a comparison by line item of the
14 number of full-time equated positions authorized from funds
15 appropriated in part 1 to the actual number of full-time equated
16 positions employed by the department at the end of the reporting
17 period. The report must be submitted to the standard report
18 recipients and to the senate and house appropriations committees.

19 Sec. 214. Not later than April 1, the department shall report
20 on each specific policy change made to implement a public act
21 affecting the department that took effect during the previous
22 calendar year. The report must include reference to the public act
23 that necessitates the policy change. The department shall submit
24 the report to the standard report recipients, the senate and house
25 appropriations committees, and the joint committee on
26 administrative rules.

27 Sec. 215. (1) From the funds appropriated in part 1, the
28 department shall do the following:

29 (a) Report to the standard report recipients and to the senate



1 and house appropriations committees any amounts of severance pay
2 for a department director, deputy director, or other high-ranking
3 department official not later than 14 days after a severance
4 agreement with the director, deputy director, or official is
5 signed. The name of the director, deputy director, or official and
6 the amount of severance pay must be included in the report required
7 by this subdivision.

8 (b) Not later than February 1, report on the total amount of
9 severance pay remitted to former department employees during the
10 prior fiscal year and the total number of former department
11 employees that were remitted severance pay during the prior fiscal
12 year.

13 (2) As used in this section, "severance pay" means
14 compensation to which both of the following apply:

15 (a) The compensation is payable or paid upon the termination
16 of employment.

17 (b) The compensation is paid in addition to wages or benefits
18 earned during the course of employment or generally applicable
19 retirement benefits.

20 Sec. 216. (1) The department shall maximize the efficiency of
21 the state workforce. The department shall prioritize employees
22 working in-person 5 days per week for each division within the
23 department. Employees with job responsibilities that require the
24 employees to serve in their capacities outside of the office must
25 report to the office before beginning field work. Field service
26 employees include, but are not limited to, protective services
27 workers, parole and probation officers, conservation officers,
28 state troopers assigned to road patrol, inspectors, and
29 construction and trade workers.



1 (2) The department shall establish a policy and process for
2 verifying that all employees are working their jobs during normal
3 business hours.

4 (3) The department shall provide information on employee badge
5 scanning when requested by a member of the legislature.

6 Sec. 217. (1) Funds appropriated in part 1 that are used for
7 grants or grant programs are subject to the following conditions:

8 (a) Grant funds must be provided only to an entity that has
9 been established or is operating in this state or another state for
10 at least 36 months before approval or disbursement of grant funds.

11 (b) Grant funds must be provided only to an entity that has
12 had an office within this state or in the service area covered
13 under the grant for at least 12 months before approval or
14 disbursement of grant funds.

15 (c) Before awarding or disbursing grant funds, all grant
16 recipients must provide a spending plan that specifies the scope of
17 service, the program goals, the measurement for meeting program
18 goals, and how all grant funds will be used and must indicate if
19 any grant funds will be provided to a third party or subrecipient.

20 (d) Up to 20% of grant funds may be spent on administrative
21 costs and salaries. Up to 10% is authorized for contingencies.

22 (e) Each department or agency responsible for awarding or
23 disbursing grant funds must annually audit the entity's use of the
24 grant funds for each fiscal year in which the grant is active. Each
25 entity must submit information requested by the department to
26 confirm compliance.

27 (f) Each department and agency shall work with the office of
28 the auditor general to conduct an audit of the grant according to
29 generally accepted accounting practices and audit standards. The



1 office of the auditor general must be given access to all internal
2 and external records. All contracts or agreements between a
3 department or agency and a grant recipient or between a grant
4 recipient and a third party must include a clause granting the
5 office of the auditor general access to all internal and external
6 records.

7 (g) Grant recipients and their immediate family members are
8 prohibited from being employed by the executive branch or
9 legislative branch of this state. In addition, grant recipients are
10 prohibited from serving on any state board that has direct or
11 indirect responsibility for approving of or auditing grant funds
12 awarded or disbursed by any department or agency.

13 (h) Full and complete audits of grant funds issued by the
14 department or an agency of this state, without redaction unless
15 required by law, must be posted to the department's website in a
16 conspicuous place for public review.

17 (2) On a quarterly basis, the department shall submit a report
18 to the standard report recipients on legislatively sponsored grant
19 funds that includes, but is not limited to, all of the following:

20 (a) The name of each grant recipient and the status of each
21 grant.

22 (b) The amount distributed to each grant recipient.

23 (c) The remaining amount to be distributed to each grant
24 recipient.

25 (d) Any changes to scope or costs of program.

26 (3) The report under subsection (2) must include the following
27 statements made by the department:

28 (a) A statement that confirms the department reviewed and
29 affirmed compliance by each grant recipient to program scope and



1 expenditure of grant funding.

2 (b) A statement that confirms the department reviewed
3 applicable program reports and requests for reimbursement.

4 Sec. 218. (1) The department shall require as a condition of
5 each contract or subcontract that the prequalified contractor or
6 prequalified subcontractor agree to use the E-Verify system to
7 verify that all persons hired during the contract term by the
8 contractor or subcontractor are legally present and authorized to
9 work in the United States.

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

16 (3) The department shall not contract with any foreign
17 entities that are known or suspected to be enemies of the United
18 States or known foreign adversaries. Foreign adversaries include
19 all of the following:

20 (a) The People's Republic of China.

21 (b) The Russian Federation.

22 (c) The Islamic Republic of Iran.

23 (d) The Democratic People's Republic of Korea.

24 (e) The Republic of Cuba.

25 (f) The Venezuelan regime of Nicolás Maduro.

26 (g) The Syrian Arab Republic.

27 (h) An agency or other entity under significant control of a
28 country described in subdivisions (a) to (g).

29 (4) As used in this section, "E-Verify" means an internet-



1 based system operated by the Department of Homeland Security, U.S.
2 Citizenship and Immigration Services in partnership with the Social
3 Security Administration.

4 Sec. 219. Funds appropriated in part 1 from state or federal
5 sources are prohibited from being used to provide services, grants,
6 or programming to an individual who is not a citizen of the United
7 States, unless the individual is a qualified alien as that term is
8 defined in 8 USC 1641. This section does not prohibit the
9 department, political subdivision, state university, or other state
10 agency from expending funds for the purpose of detaining
11 individuals who are not citizens of the United States, including
12 any costs associated with housing such individuals in county jails
13 or state correctional facilities.

14 Sec. 221. (1) In addition to the funds appropriated in part 1,
15 there is appropriated an amount not to exceed \$2,000,000.00 for
16 federal contingency authorization. Amounts appropriated are not
17 available for expenditure until they have been transferred to
18 another line item in part 1 under section 393(2) of the management
19 and budget act, 1984 PA 431, MCL 18.1393.

20 (2) In addition to the funds appropriated in part 1, there is
21 appropriated an amount not to exceed \$4,000,000.00 for state
22 restricted contingency authorization. Amounts appropriated are not
23 available for expenditure until they have been transferred to
24 another line item in part 1 under section 393(2) of the management
25 and budget act, 1984 PA 431, MCL 18.1393.

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

29 Sec. 223. The department shall submit a quarterly report that



1 summarizes all work project accounts. The report must include all
2 of the following:

3 (a) A list of all work project accounts.

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

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

11 Sec. 224. Total authorized appropriations from all sources
12 under part 1 for legacy costs for the fiscal year ending September
13 30, 2026 are estimated at \$170,365,800.00. From this amount, total
14 appropriations for pension-related legacy costs for the department
15 are estimated at \$130,016,600.00. Total appropriations for retiree
16 health care legacy costs for the department are estimated at
17 \$40,349,200.00.

18 Sec. 225. (1) The department shall maintain, on a publicly
19 accessible website, a department scorecard that identifies, tracks,
20 and updates on a quarterly basis key metrics that are used to
21 monitor and improve the department's performance.

22 (2) The department shall notify the standard report recipients
23 when the quarterly updates to the department scorecard are
24 available on a publicly accessible website.

25 Sec. 226. (1) Unless specifically authorized elsewhere in this
26 part or part 1, funds appropriated in part 1 must not be used to
27 pay for a state obligation that exceeds \$200,000.00 for a court-
28 approved judgment, settlement, award, or claim without prior
29 legislative approval.



1 (2) If a state obligation for a court-approved judgment,
2 settlement, award, or claim results in a change from current
3 statute, the department shall notify the legislature.

4 (3) This section does not apply to compensation and other
5 relief to individuals wrongfully imprisoned as required under the
6 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
7 to 691.1757.

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

16 Sec. 228. State funds must not be used for diversity, equity,
17 and inclusion, or DEI, initiatives or programs or as outlined in
18 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
19 Radical and Wasteful Government DEI Programs and Preferencing",
20 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
21 Women from Gender Ideology Extremism and Restoring Biological Truth
22 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
23 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
24 Merit-Based Opportunity".

25 Sec. 229. (1) The department may accept monetary and
26 nonmonetary gifts, bequests, donations, contributions, or grants
27 from any private or public source to support, in whole or in part,
28 a departmental function or program. The department shall expend or
29 use the gifts, bequests, donations, contributions, or grants



1 accepted under this subsection for the purposes designated by the
2 private or public source, if the purpose is specified.

3 (2) Revenue collected by the department under this section
4 that is unexpended and unencumbered must not lapse to the general
5 fund but must be carried forward to the subsequent fiscal year.

6 (3) Private revenues received under this section that exceed
7 the appropriations in part 1 are appropriated and may be received
8 and expended by the department for the purposes for which the funds
9 are received.

10 (4) If additional authorization is approved in SIGMA by the
11 state budget office under this section, the department shall notify
12 the senate and house appropriations subcommittees on state police
13 and the senate and house fiscal agencies within 10 days after the
14 approval. The notification must include the amount and funding
15 source of the additional authorization, the date of the approval,
16 and the projected use of the funds to be expended.

17 Sec. 230. (1) Federal revenues authorized by and available
18 from the federal government in excess of the appropriations in part
19 1 are appropriated and may be received and expended by the
20 department for purposes authorized under state law and subject to
21 federal requirements. The total amount of federal revenues that may
22 be received and expended under this section and section 604(3) must
23 not exceed \$750,000,000.00.

24 (2) The department shall notify the standard report recipients
25 before expending federal revenues received and appropriated under
26 subsection (1).

27 (3) If additional authorization is approved in SIGMA by the
28 state budget office under this section, the department shall notify
29 the senate and house appropriations subcommittees on state police



1 and the senate and house fiscal agencies within 10 days after the
2 approval. The notification must include the amount and funding
3 source of the additional authorization, the date of its approval,
4 and the projected use of the funds to be expended.

5
6 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

7 Sec. 301. Based on the availability of federal funding and
8 demonstrated need, as indicated by applications submitted to the
9 state court administrative office, the department shall provide
10 \$1,500,000.00 in Byrne justice assistance grant program funding to
11 the judiciary by interdepartmental grant.

12 Sec. 302. The department shall notify the standard report
13 recipients when it recommends to close or consolidate any state
14 police post. The notification must include a local and state impact
15 study of the proposed post closure or consolidation.

16 Sec. 303. If the department presents a plan to the state
17 employer to privatize, the department shall submit a complete
18 project plan to the standard report recipients. The plan must
19 include the criteria under which the privatization initiative will
20 be evaluated. The evaluation must be completed and submitted to the
21 standard report recipients within 30 months.

22 Sec. 304. (1) When the department provides contractual
23 services to a local unit of government, the department shall be
24 reimbursed for all costs incurred in providing the services.

25 (2) The department shall define service cost models for those
26 services requiring reimbursement.

27 (3) Contractual services provided to an entity other than a
28 local unit of government may be provided by department personnel,
29 but only on an overtime basis outside the normal work schedule of



1 the personnel. All costs incurred in providing the services are
2 eligible for reimbursement.

3 (4) This section does not apply to services provided to state
4 agencies.

5 (5) Revenues received for contractual or reimbursed services
6 in excess of the appropriations in part 1 are appropriated and may
7 be received and expended by the department for the purposes for
8 which the funds are received.

9 (6) If additional authorization is approved in SIGMA by the
10 state budget office under this section, the department shall notify
11 the senate and house appropriations subcommittees on state police
12 and the senate and house fiscal agencies within 10 days after the
13 approval. The notification must include the amount and funding
14 source of the additional authorization, the date of its approval,
15 and the projected use of the funds to be expended.

16 Sec. 305. The department may establish and collect fees for
17 publications, videos, conferences, workshops, and related
18 materials. Fees collected under this section must be used to offset
19 expenditures for costs of the publications, videos, workshops,
20 conferences, and related materials. The department shall not
21 collect fees under this section that exceed the cost of the
22 expenditures.

23 Sec. 306. A law enforcement officer funded under part 1 shall
24 not be required to issue a predetermined or specified number of
25 citations for violations of the Michigan vehicle code, 1949 PA 300,
26 MCL 257.1 to 257.923, or of a local ordinance that substantially
27 corresponds to the provisions of the Michigan vehicle code, 1949 PA
28 300, MCL 257.1 to 257.923, including parking or standing
29 violations. A law enforcement officer's performance evaluation



1 system must not require a predetermined or specified number of
2 citations to be issued.

3 Sec. 307. From the funds appropriated in part 1, the director
4 shall establish and maintain local headquarters in various places,
5 and may do so by agreement, lease, or otherwise, as provided under
6 section 7 of 1935 PA 59, MCL 28.7.

7 Sec. 308. (1) In addition to the funds appropriated in part 1,
8 there is appropriated an amount not to exceed \$2,000,000.00 for
9 federal contingency authorization. Amounts appropriated under this
10 subsection are not available for expenditure until they have been
11 transferred to another line item in part 1 under section 393(2) of
12 the management and budget act, 1984 PA 431, MCL 18.1393.

13 (2) In addition to the funds appropriated in part 1, there is
14 appropriated an amount not to exceed \$4,000,000.00 for state
15 restricted contingency authorization. Authorized funds are not
16 available for expenditure until they have been transferred to
17 another line item in part 1 under section 393(2) of the management
18 and budget act, 1984 PA 431, MCL 18.1393.

19 Sec. 309. The department's investigative response team must
20 submit any compiled findings of an investigation of a critical
21 incident to the prosecutor of the county in which the critical
22 incident occurred for review. As used in this section, "critical
23 incident" means either of the following:

24 (a) Any event that results in the death or infliction of great
25 bodily harm to an employee of the department or to any other
26 individual while the individual is in the custody of a law
27 enforcement officer employed by the department or while a law
28 enforcement officer employed by the department is attempting to
29 gain control of the individual.



1 (b) Any accident involving a vehicle owned by the department
2 that was operated by an employee of the department at the time of
3 the accident that results in the death or infliction of great
4 bodily harm to the employee or any other individual involved in the
5 accident.

6
7 **LAW ENFORCEMENT SERVICES**

8 Sec. 401. (1) The department shall develop and deliver
9 professional, innovative, and quality training that supports the
10 enforcement and public safety efforts of the criminal justice
11 community.

12 (2) The department shall provide performance data, as provided
13 under section 225, for days of training being conducted by the
14 academy.

15 (3) From the funds appropriated in part 1 for training
16 operations, the department may provide or obtain the following
17 training:

18 (a) Training that directly relates to the individual's job
19 description and role within the department.

20 (b) Professional development training.

21 (c) Training that provides the individual with the ability to
22 seek expanded opportunities within the department.

23 (d) Advanced education training.

24 (4) Not later than January 1, the department shall submit a
25 report to the standard report recipients and to the senate and
26 house appropriations committees that includes the following
27 information about the funds appropriated in part 1 for training
28 operations:

29 (a) The training courses that the department's employees



1 completed.

2 (b) If a training course is developed by the department, a
3 description of that course's curriculum and its purpose.

4 (c) The number of the department's employees who have received
5 and completed training pursuant to this section.

6 (5) The department shall distribute and review course
7 evaluations to ensure that quality training is provided.

8 Sec. 402. (1) In accordance with applicable state and federal
9 laws and regulations, the department shall maintain and ensure
10 compliance with CJIS databases and applications in the support of
11 public safety and law enforcement communities.

12 (2) The department shall improve the accuracy, timeliness, and
13 completeness of criminal history information by conducting a
14 minimum of 30 outreach activities targeted to criminal justice
15 agencies. The department shall report the number of these outreach
16 activities conducted, as provided under section 225.

17 (3) The department shall provide for the compilation of crime
18 statistics consistent with the uniform crime reporting (UCR)
19 program and the national incident-based report system (NIBRS).

20 (4) The department shall provide for the compilation and
21 evaluation of traffic crash reports and the maintenance of the
22 state accident data collection system.

23 (5) The department shall make individual traffic crash reports
24 available for a fee of \$10.00 per incident. The department may also
25 sell an extract of electronic traffic crash data for a fee of \$0.25
26 per incident, provided that the name, address, and any other
27 personal identifying information have been excluded.

28 (6) By March 1, the department shall submit a report to the
29 standard report recipients detailing the number of traffic crash



1 reports provided, the amount of revenue collected, and all
2 expenditures incurred for activities under subsection (5) in the
3 preceding fiscal year. The report must include an analysis of
4 whether revenue from department activities under subsection (5) is
5 sufficient to offset all costs incurred for those activities and
6 must provide information regarding any deficit or surplus of
7 revenue.

8 (7) In accordance with applicable state and federal laws and
9 regulations, the department shall provide for the maintenance and
10 dissemination of criminal history records and juvenile records,
11 including to the extent necessary to exchange criminal history
12 records information with the Federal Bureau of Investigation and
13 other states through the interstate identification index, the
14 National Crime Information Center, and other federal CJIS databases
15 and indices.

16 (8) The department shall, in accordance with applicable state
17 and federal laws, provide for the maintenance of records, including
18 criminal history records regarding firearms licensure, as provided
19 under 1927 PA 372, MCL 28.421 to 28.435.

20 (9) The department shall provide information on the number of
21 background checks processed through the internet criminal history
22 access tool (ICHAT), as provided in section 225.

23 (10) The following unexpended and unencumbered revenues
24 deposited into the criminal justice information center service fees
25 must not lapse to the general fund, but must be carried forward
26 into the subsequent fiscal year:

27 (a) Fees for fingerprinting and criminal record checks and
28 name-based criminal record checks under 1935 PA 120, MCL 28.271 to
29 28.274.



1 (b) Fees for application and licensing for initial and renewal
2 concealed pistol licenses under 1927 PA 372, MCL 28.421 to 28.435.

3 (c) Fees for searching, copying, and providing public records
4 under the freedom of information act, 1976 PA 442, MCL 15.231 to
5 15.246.

6 (d) Revenue from other sources, including, but not limited to,
7 investment and interest earnings.

8 (11) Unexpended and unencumbered revenue generated by state
9 records management system fees must not lapse to the general fund,
10 but must be carried forward into the subsequent fiscal year.

11 Sec. 403. (1) The department shall provide forensic testing
12 and analysis/profiling of DNA evidence to aid in law enforcement
13 investigations in this state.

14 (2) The department shall ensure its ability to maintain
15 accreditation by a federally designated accrediting agency, as
16 provided under 34 USC 12592.

17 (3) The department shall provide forensic science services
18 with an average turnaround time of 55 days, assuming an annual
19 caseload volume commensurate with the average annual caseload
20 received by the forensic science division during the preceding 5
21 fiscal years, and shall work to achieve a goal of a 30-day average
22 turnaround time across all forensic science disciplines.

23 (4) The department shall provide the following data as
24 provided in section 225:

25 (a) The average turnaround time for processing forensic
26 evidence across all disciplines.

27 (b) Forensic laboratory staffing levels, including scientists
28 in training, and vacancies.

29 (c) The number of backlogged cases in each discipline.



1 Sec. 404. (1) The biometrics and identification division shall
2 maintain and manage the automated biometric identification system,
3 statewide network of agency photographs, and combined offender DNA
4 index system biometric databases.

5 (2) The department shall provide data on the number of 10-
6 print and palm-print submissions to the database, as provided in
7 section 225.

8 (3) The department shall maintain the staffing and resources
9 necessary to have a 28-day average wait time for scheduling a
10 polygraph examination, assuming an annual caseload received
11 commensurate with the average annual caseload received during the
12 preceding 5 fiscal years, with a goal of achieving a 15-day average
13 wait time.

14 (4) If changes are made to the department's protocol for
15 retaining and purging DNA analysis samples and records, the
16 department shall post a copy of the protocol changes on the
17 department's website.

18 Sec. 405. Not later than December 1, the department shall
19 submit a report to the standard report recipients that includes,
20 but is not limited to, all of the following information:

21 (a) Sexual assault kit analysis backlog at the beginning of
22 the previous fiscal year.

23 (b) The number of sexual assault kits collected or submitted
24 for analysis during the previous fiscal year.

25 (c) The number of sexual assault kits analyzed and the number
26 of associated DNA profiles created and uploaded during the previous
27 fiscal year.

28 (d) Sexual assault kit analysis backlog at the end of the
29 previous fiscal year.



1 (e) The average turnaround time to analyze sexual assault kits
2 and to create and upload associated DNA profiles for the previous
3 fiscal year.

4 Sec. 406. The department shall provide administrative support
5 for the following grant and community service programs:

6 (a) The operations of the automobile theft prevention
7 authority.

8 (b) Administration of the Edward Byrne memorial justice
9 assistance program and other grant programs, including the
10 department's community policing efforts.

11 (c) Administration of the office of school safety.

12 (d) Administration and outreach of the OK2SAY program.

13 Sec. 407. Not later than March 30, the office of school safety
14 shall provide a school safety report to the legislature and the
15 senate and house fiscal agencies that must include reports of both
16 of the following:

17 (a) The incidents of school violence or threats reported to
18 the state police by local law enforcement or local school
19 districts, or received through the Michigan incident crime report
20 (MICR).

21 (b) OK2SAY-based incidences and activities.

22 (c) Based upon an evaluation of school safety incidents and
23 analysis of school safety grants, recommendations on best
24 practices, and other safety measures to ensure school safety in
25 this state.

26 Sec. 408. (1) The department shall make an organized,
27 strategic effort to recruit, onboard, train, and outfit trooper
28 school candidates and other new employees.

29 (2) From the funds appropriated in part 1 for trooper recruit



1 school onboarding, training, and outfitting, the department shall
2 organize and operate not fewer than 2 trooper, motor carrier, or
3 state properties security recruit schools in the fiscal year ending
4 September 30, 2026.

5 (3) The department shall submit a report to the standard
6 report recipients within 60 days of the conclusion of any trooper,
7 motor carrier, or state properties security recruit school. The
8 report must include all of the following:

9 (a) The number of veterans and the number of MCOLES-certified
10 police officers who were admitted to and the number who graduated
11 from the recruit school.

12 (b) The total number of recruits who were admitted to the
13 recruit school, the number of recruits who graduated from the
14 recruit school, and the location at which each of these recruits is
15 assigned.

16 (4) The department may use the funds appropriated in part 1
17 that represent attrition savings to offset the cost of recruiting
18 efforts described under subsection (1).

19 (5) The unexpended and unencumbered general fund/general
20 purpose funds appropriated in part 1 for trooper recruit school
21 onboarding, training, and outfitting must not lapse to the general
22 fund at the end of the fiscal year but must be deposited into the
23 trooper recruit school fund created under section 819b of the
24 Michigan vehicle code, 1949 PA 300, MCL 257.819b.

25 (6) If money in the trooper recruit school fund created under
26 section 819b of the Michigan vehicle code, 1949 PA 300, MCL
27 257.819b, is insufficient to support the cost of recruiting efforts
28 authorized under this section, the department may utilize funds
29 appropriated in part 1 for training operations to fulfill the



1 requirements of this section. If the department utilizes funds
2 pursuant to this subsection, the department shall notify the
3 standard report recipients not later than 30 days after the
4 expenditure of those funds. The notice required under this
5 subsection must include information about the amount of funds
6 expended and the purposes for which those funds were used or will
7 be used.

8 Sec. 409. (1) From the funds appropriated in part 1, the
9 department shall, in collaboration with the department of civil
10 rights and MCOLES, provide the following training to local police
11 departments or officers free of charge:

12 (a) Cultural awareness and competency.

13 (b) Conflict management.

14 (c) Use of force on vulnerable individuals, including
15 children, individuals with disabilities, individuals with unmet
16 mental health needs, individuals under the influence of substances,
17 and pregnant individuals.

18 (d) Mental health and wellness for law enforcement officers.

19 (2) The training provided under subsection (1) may be offered
20 online in order to facilitate easy access and may be given by
21 department staff, contractors, or external vendors.

22 (3) On a quarterly basis, the department shall submit a report
23 to the standard report recipients on the number of officers, by
24 police department, that received training under this section.

25 Sec. 410. The department, in collaboration with the department
26 of health and human services and the department of education, shall
27 advise on initiatives in schools and other educational
28 organizations that include, but are not limited to, training for
29 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.

FIELD SERVICES

Sec. 501. (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 225.

Sec. 502. (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



1 fiscal years.

2 (3) The department shall maintain the staffing and resources
3 necessary to annually meet or exceed a case clearance rate of 62%.

4 (4) The department shall provide training opportunities to
5 local law enforcement partners with the goal of increasing their
6 knowledge of gambling laws, legal issues, opioid-related
7 investigations, and other emerging law enforcement issues.

8 (5) The department shall maintain the staffing and resources
9 necessary to investigate the average annual number of opioid-
10 related investigations conducted by multijurisdictional task forces
11 and hometown security teams during the preceding 5 fiscal years.
12 The department shall work to enhance investigative and drug
13 interdiction efforts by enhancing data analysis capabilities and
14 linking investigations among multijurisdictional task forces and
15 hometown security teams.

16 Sec. 503. (1) The department shall provide protection to this
17 state, its economy, welfare, and vital state-sponsored programs
18 through the prevention and suppression of organized smuggling of
19 untaxed tobacco products in this state, through enforcement of the
20 tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, and
21 other laws pertaining to combating criminal activity in this state,
22 and by maintaining a tobacco tax enforcement unit.

23 (2) The department shall submit an annual report on December 1
24 to the standard report recipients and to the senate and house
25 appropriations subcommittees on general government that details
26 expenditures and activities related to tobacco tax enforcement for
27 the previous fiscal year.

28 Sec. 504. The department shall provide fire investigation
29 training and investigative assistance to public safety agencies in



1 this state.

2 Sec. 505. The department shall not take disciplinary action
3 against an employee of the department for providing, upon request,
4 assistance or mutual aid to a law enforcement officer employed by a
5 law enforcement agency of this state who is engaged in the fresh
6 pursuit of an individual on a freeway. As used in this section:

7 (a) "Fresh pursuit" means that term as defined in section 5 of
8 the uniform act on fresh pursuit, 1937 PA 189, MCL 780.105.

9 (b) "Freeway" means that term as defined in section 18a of the
10 Michigan vehicle code, 1949 PA 300, MCL 257.18a.

11 Sec. 506. From the funds appropriated in part 1 for trooper
12 pay increases and economic adjustments, the department shall expend
13 the funds appropriated for costs associated with pay increases for
14 Michigan state police troopers of up to the same amounts approved
15 by the civil service commission and effective October 1, 2025.

16
17 **SPECIALIZED SERVICES**

18 Sec. 601. (1) The department shall operate the Michigan
19 intelligence operations center for homeland security as this
20 state's primary federally designated fusion center to receive,
21 analyze, gather, and disseminate threat-related information among
22 federal, state, local, tribal, and private sector partners.

23 (2) The department shall ensure public safety by providing
24 public and private sector partners with timely and accurate
25 information regarding critical information key resource threats, as
26 reported to or discovered by the Michigan intelligence operations
27 center for homeland security, and shall increase public awareness
28 on how to report suspicious activity through website or telephone
29 communications.



1 (3) The department shall maintain the staffing and resources
2 necessary to support the cyber section, including the Michigan
3 cyber command center, the computer crimes unit, and the internet
4 crimes against children task force. The department shall maintain
5 the staffing and resources necessary to complete the average annual
6 number of cases completed by the computer crimes unit during the
7 preceding 5 fiscal years. The computer crimes unit shall pursue
8 process improvement initiatives to effectively utilize staff
9 resources in providing investigatory assistance and evidentiary
10 analysis for law enforcement and criminal justice agencies
11 statewide. The department shall maintain the staffing and resources
12 necessary to complete the average annual casework that the Michigan
13 cyber command center completed during the preceding 5 fiscal years.

14 (4) The department shall maintain the staffing and resources
15 necessary to provide digital forensic analysis services with a goal
16 of decreasing backlogs of digital forensic analysis cases annually
17 until the department maintains a 60-day turnaround time.

18 Sec. 602. (1) The department shall provide specialized
19 services in support of, and to enhance, local, state, and federal
20 law enforcement operations within this state, in accordance with
21 all applicable state and federal laws and regulations.

22 (2) The department shall maintain the staffing and resources
23 necessary to provide training to maintain readiness to respond
24 appropriately to at least the average annual number of requests for
25 specialty services which occurred during the preceding 5 fiscal
26 years.

27 (3) The canine unit shall be available for call out statewide
28 100% of the time.

29 (4) The bomb squad unit shall be available for call out



1 statewide 100% of the time.

2 (5) Aviation services shall be available for call out
3 statewide 100% of the time, unless prohibited by weather or
4 unexpected mechanical breakdowns.

5 (6) The department shall maintain the staff and resources
6 necessary to provide security services at the State Capitol Complex
7 facilities, the State Secondary Complex, and other state-owned or
8 leased properties, as provided under section 6c of 1935 PA 59, MCL
9 28.6c. The department shall also maintain the staff and resources
10 necessary to respond to emergencies at the State Capitol Complex,
11 State Secondary Complex, House Office Building, Binsfeld Office
12 Building, Townsend Parking Ramp, Roosevelt Parking Ramp, and other
13 areas as directed. The department shall maintain a goal of annually
14 conducting 35,000 property inspections of state owned and leased
15 facilities.

16 Sec. 603. (1) The department shall maintain commercial vehicle
17 regulation, school bus inspections, and enforcement activities,
18 including enforcement of requirements concerning size, weight, and
19 load restrictions; operating authority; registration; fuel taxes;
20 transportation of hazardous materials; new entrant operations;
21 commercial driver licenses; and inspections pursuant to the federal
22 motor carrier assistance program.

23 (2) The department shall maintain the staffing and resources
24 necessary to meet inspection goals consistent with the department's
25 federal motor carrier assistance program activities.

26 (3) Revenue collected under the motor carrier act, 1933 PA
27 254, MCL 475.1 to 479.42, must be expended in accordance with that
28 act. Unexpended and unencumbered revenues must not lapse to the
29 general fund but must be carried forward into the subsequent fiscal



1 year.

2 Sec. 604. (1) The department shall coordinate the mitigation,
3 preparation, response, and recovery activities of municipal,
4 county, state, and federal governments, and other governmental
5 entities, for all hazards, disasters, and emergencies.

6 (2) The state director of emergency management may expend
7 money appropriated under part 1 to call on any agency or department
8 of this state or any resource of this state to protect life or
9 property or to provide for the health or safety of the population
10 in any area of this state in which the governor proclaims a state
11 of emergency or state of disaster under the emergency management
12 act, 1976 PA 390, MCL 30.401 to 30.421. The state director of
13 emergency management may expend the amounts the director considers
14 necessary to accomplish these purposes. The director shall submit
15 to the state budget director, as soon as possible, a complete
16 report of all actions taken under the authority of this section.
17 The report must contain, as a separate item, a statement of all
18 money expended that is not reimbursable from federal funding. The
19 state budget director shall review the expenditures and submit
20 recommendations to the legislature in regard to any possible need
21 for a supplemental appropriation.

22 (3) In addition to the funds appropriated in part 1, the
23 department may receive and expend money from local, private,
24 federal, or state sources for the purpose of providing emergency
25 management training to local or private interests and for the
26 purpose of supporting emergency preparedness, response, recovery,
27 and mitigation activity. If additional expenditure authorization in
28 SIGMA is approved by the state budget office under this section,
29 the department and the state budget office shall notify the senate



1 and house appropriations subcommittees on state police and the
2 senate and house fiscal agencies within 10 days after the approval.
3 The notification must include the amount and source of the
4 additional authorization, the date of its approval, and the
5 projected use of the funds to be expended under the authorization.
6 The total amount of federal revenues that may be received and
7 expended under this section and section 230 must not exceed
8 \$750,000,000.00.

9 (4) The department shall foster, promote, and maintain
10 partnerships to protect this state and homeland from all hazards.

11 (5) The department shall maintain the staffing and resources
12 necessary to do all of the following:

13 (a) Serve approximately 105 local emergency management
14 preparedness programs and 88 local emergency planning committees in
15 this state.

16 (b) Operate and maintain the state's emergency operations
17 center and provide command and control in support of emergency
18 response services.

19 (c) Maintain readiness, including training and equipment to
20 respond to civil disorders and natural disasters commensurate with
21 the capabilities of fiscal year 2010-2011.

22 (d) Perform hazardous materials response training.

23 (6) The department shall conduct a minimum of 3 training
24 sessions to enhance safe response in the event of natural or
25 manmade incidents, emergencies, or disasters.

26 (7) In addition to the funds appropriated in part 1, there is
27 appropriated from the disaster and emergency contingency fund an
28 amount necessary to cover costs related to any disaster or
29 emergency as defined in the emergency management act, 1976 PA 390,



1 MCL 30.401 to 30.421. Funds must be expended as provided under
2 sections 18 and 19 of the emergency management act, 1976 PA 390,
3 MCL 30.418 and 30.419, and R 30.51 to R 30.61 of the Michigan
4 Administrative Code.

5 (8) If, in a particular month, expenditures are made from the
6 disaster and emergency contingency fund, the department shall
7 submit a report for that month to the senate and house fiscal
8 agencies detailing the purpose of the expenditures. The monthly
9 report required under this subsection must be submitted within 30
10 days after the end of the month during which funds from the
11 disaster and emergency contingency fund were expended.

12 (9) The department shall track and report on a biannual basis,
13 as provided in section 225 of this part, the status of the
14 department's assessment of critical infrastructure vulnerabilities,
15 including the protection status of critical infrastructure items
16 identified by the assessment. The department is not required to
17 report any information that could compromise the security of any
18 critical infrastructure.

19 (10) Revenue collected by the department under this section
20 for the emergency management and homeland security training center
21 that is unexpended and unencumbered at the end of the fiscal year
22 must not lapse to the general fund, but must be carried forward
23 into the subsequent fiscal year.

24 Sec. 605. The department shall provide for the planning,
25 administration, and implementation of highway traffic safety
26 programs to save lives and reduce injuries on roads in this state,
27 in partnership with other public and private organizations.

28 Sec. 606. (1) Funds appropriated in part 1 for the secondary
29 road patrol program must be used to provide grants to sheriffs



1 under the secondary road patrol program described under section 76
2 of 1846 RS 14, MCL 51.76.

3 (2) The sheriffs' duties under the secondary road patrol
4 program, as outlined in section 76(2) of 1846 RS 14, MCL 51.76, are
5 to do all of the following:

6 (a) Patrol and monitor traffic violations.

7 (b) Enforce the criminal laws of this state, violations of
8 which are observed by or brought to the attention of the sheriff's
9 department while patrolling and monitoring secondary roads.

10 (c) Investigate accidents involving motor vehicles.

11 (d) Provide emergency assistance to persons on or near a
12 highway or road the sheriff is patrolling and monitoring.

13 Sec. 607. The department shall serve as an active liaison
14 between the department of technology, management, and budget and
15 state, local, regional, and federal public safety agencies on
16 matters pertaining to the Michigan public safety communications
17 system and shall report user issues to the department of
18 technology, management, and budget.

19
20 **ONE-TIME APPROPRIATIONS**

21 Sec. 701. The general fund/general purpose funds appropriated
22 in part 1 for the disaster and emergency contingency fund must be
23 deposited to the restricted disaster and emergency contingency fund
24 created in section 18 of the emergency management act, 1976 PA 390,
25 MCL 30.418.

26 Sec. 702. (1) From the funds appropriated in part 1 for law
27 enforcement training for communication with limited English
28 speaking communities and those deaf and hard of hearing, the
29 department shall coordinate with MCOLES to provide training to law



1 enforcement officers to assist in the officers communication with
2 members of the public who experience a language barrier or may be
3 hard of hearing or deaf. The training required under this section
4 must be developed by an entity that is MCOLES approved in a manner
5 prescribed by the commission and holds an oral transliteration
6 certificate. Any training course provided for under this section
7 must be certified by the international accreditors for continuing
8 education and training.

9 (2) The unexpended funds appropriated in part 1 for law
10 enforcement training for communication with limited English
11 speaking communities and those deaf and hard of hearing are
12 designated as a work project appropriation, and any unencumbered or
13 unallotted funds must not lapse at the end of the fiscal year and
14 must be available for expenditures for projects under this section
15 until the projects have been completed. The following is in
16 compliance with section 451a(1) of the management and budget act,
17 1984 PA 431, MCL 18.1451a:

18 (a) The purpose of the project is the training of law
19 enforcement officers.

20 (b) The project will be accomplished by utilizing contracts
21 with service providers.

22 (c) The estimated cost of this project is \$1,000,000.00.

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

25 Sec. 703. (1) From the funds appropriated in part 1 for cold
26 case investigations, the department shall create and administer a
27 competitive grant program that provides grants not to exceed
28 \$200,000.00 to Michigan universities that operate a cold case
29 program. As used in this section, "cold case program" means an



1 academic program administered by a university that provides, but is
2 not limited to, workforce development training related to criminal
3 investigation tactics, forensic science and law, and review of cold
4 homicide and missing person cases.

5 (2) The department shall not approve a grant application under
6 this section if a university does not satisfy either of the
7 following:

8 (a) The university has operated a cold case program for over a
9 year as of October 1, 2024.

10 (b) The university will begin a cold case program with the
11 department not later than October 1, 2026.

12 (3) Funds disbursed under this section must be used only for
13 programmatic and operational expenses of the university's cold case
14 program.

15 Sec. 705. (1) From the funds appropriated in part 1 for public
16 safety academy assistance programs, the department shall do all of
17 the following:

18 (a) Pay the salaries of training academy recruits from public
19 safety agencies.

20 (b) Pay the salaries of individuals who receive scholarships
21 under subdivision (c).

22 (c) Allocate funds to MCOLES to establish and administer a
23 competitive scholarship program that provides police academy
24 scholarships of up to \$20,000.00 per recruit on a first-come,
25 first-served basis to an individual in a public safety agency who
26 meets the requirements of subsection (2) and any necessary
27 requirements to enroll in a police academy program.

28 (2) An individual must meet both of the following requirements
29 to receive a scholarship under this section:



1 (a) Have applied to at least 1 law enforcement basic training
2 academy approved by MCOLES.

3 (b) Have completed an interview and received approval for the
4 scholarship from the public safety agency that the individual
5 intends to serve.

6 (3) For the purposes of this section, no more than 25
7 scholarships may be approved by a particular public safety agency.

8 (4) MCOLES is authorized to use up to \$140,000.00 for
9 administration of the scholarship program established and
10 administered by MCOLES under this section.

11 (5) The unexpended funds appropriated in part 1 for public
12 safety academy assistance programs are designated as a work project
13 appropriation. Unencumbered or unallotted funds must not lapse at
14 the end of the fiscal year and must be available for expenditures
15 under this section until the project has been completed. The
16 following is in compliance with section 451a of the management and
17 budget act, 1984 PA 431, MCL 18.1451a:

18 (a) The purpose of the project is to provide salaries and
19 scholarships for public safety recruits.

20 (b) The project will be accomplished by utilizing state
21 employees, contracts with vendors, or local partners.

22 (c) The estimated cost of the project is \$10,000,000.00.

23 (d) The tentative completion date is September 30, 2027.

24
25 ARTICLE 15

26 STATE TRANSPORTATION DEPARTMENT

27 PART 1

28 LINE-ITEM APPROPRIATIONS

29 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	2,805.1
--	---------

GROSS APPROPRIATION	\$ 10,243,751,700
----------------------------	--------------------------

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	4,366,200
--	-----------

ADJUSTED GROSS APPROPRIATION	\$ 10,239,385,500
-------------------------------------	--------------------------

Federal revenues:

Total federal revenues	2,308,754,300
------------------------	---------------

Special revenue funds:

Total local revenues	85,448,500
----------------------	------------

Total private revenues	16,800,000
------------------------	------------

Total other state restricted revenues	7,151,382,700
---------------------------------------	---------------

State general fund/general purpose	\$ 677,000,000
---	-----------------------

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:

Special revenue funds:

Blue Water Bridge fund	3,320,300
------------------------	-----------



1	Bond repayment fund	333,554,100
2	Economic development fund	234,300
3	Local bridge fund	77,300
4	State aeronautics fund	3,618,200
5	State general fund/general purpose	\$ 0
6	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER	
7	AGENCY SUPPORT SERVICES	
8	CTF grant to civil service commission	\$ 225,300
9	CTF grant to department of technology,	
10	management, and budget	34,500
11	CTF grant to department of treasury	46,900
12	CTF grant to legislative auditor general	47,100
13	MTF grant to department of environment, Great	
14	Lakes, and energy	1,491,400
15	MTF grant to department of state for collection	
16	of revenue and fees	20,000,000
17	MTF grant to department of treasury	3,011,900
18	MTF grant to legislative auditor general	382,400
19	SAF grant to civil service commission	140,000
20	SAF grant to department of technology,	
21	management, and budget	26,000
22	SAF grant to department of treasury	72,200
23	SAF grant to legislative auditor general	37,000
24	STF grant to civil service commission	6,321,000
25	STF grant to department of state police	12,154,500
26	STF grant to department of technology,	
27	management, and budget	1,173,100
28	STF grant to department of treasury	148,800



1	STF grant to legislative auditor general		888,300
2	GROSS APPROPRIATION	\$	46,200,400
3	Appropriated from:		
4	Special revenue funds:		
5	Comprehensive transportation fund		353,800
6	Michigan transportation fund		24,885,700
7	State aeronautics fund		275,200
8	State trunkline fund		20,685,700
9	State general fund/general purpose	\$	0
10	Sec. 104. DEPARTMENTAL ADMINISTRATION AND		
11	SUPPORT		
12	Full-time equated unclassified positions	6.0	
13	Full-time equated classified positions	249.0	
14	Unclassified salaries--FTEs	6.0	\$ 964,300
15	Asset management council		2,300,000
16	Business support services--FTEs	48.5	9,728,700
17	Commission audit and support services--FTEs	23.5	4,158,300
18	Economic development and enhancement programs--		
19	FTEs	9.6	1,706,000
20	Finance, contracts, and support services--FTEs	167.4	24,321,900
21	Property management		6,957,400
22	Worker's compensation		1,616,600
23	GROSS APPROPRIATION	\$	51,753,200
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	IDG for accounting service center user charges		4,366,200
27	Special revenue funds:		
28	Comprehensive transportation fund		1,884,400



1	Economic development fund		413,800
2	Michigan transportation fund		5,080,700
3	State aeronautics fund		746,500
4	State trunkline fund		39,261,600
5	State general fund/general purpose	\$	0
6	Sec. 105. INFORMATION TECHNOLOGY		
7	Information technology services and projects	\$	36,631,100
8	GROSS APPROPRIATION	\$	36,631,100
9	Appropriated from:		
10	Federal revenues:		
11	Federal aid - transportation programs		520,500
12	Special revenue funds:		
13	Blue Water Bridge fund		58,500
14	Comprehensive transportation fund		238,200
15	Economic development fund		39,400
16	Michigan transportation fund		311,200
17	State aeronautics fund		185,700
18	State trunkline fund		35,277,600
19	State general fund/general purpose	\$	0
20	Sec. 106. TRANSPORTATION PLANNING		
21	Full-time equated classified positions	134.4	
22	Planning services--FTEs	134.4	\$ 43,874,800
23	Grants to regional planning councils		488,800
24	GROSS APPROPRIATION	\$	44,363,600
25	Appropriated from:		
26	Federal revenues:		
27	Federal aid - transportation programs		26,000,000
28	Special revenue funds:		



1	Comprehensive transportation fund		359,900
2	Michigan transportation fund		11,338,200
3	State aeronautics fund		30,800
4	State trunkline fund		6,634,700
5	State general fund/general purpose	\$	0
6	Sec. 107. DESIGN AND ENGINEERING SERVICES		
7	Full-time equated classified positions	1,540.5	
8	Business services--FTEs	50.8	\$ 11,771,700
9	Program development and delivery--FTEs	918.7	112,902,900
10	System operations management--FTEs	571.0	117,518,100
11	GROSS APPROPRIATION	\$	242,192,700
12	Appropriated from:		
13	Federal revenues:		
14	Federal aid - transportation programs		23,529,800
15	Special revenue funds:		
16	Comprehensive transportation fund		187,100
17	Michigan transportation fund		19,350,800
18	State trunkline fund		199,125,000
19	State general fund/general purpose	\$	0
20	Sec. 108. HIGHWAY MAINTENANCE		
21	Full-time equated classified positions	720.2	
22	State trunkline operations--FTEs	720.2	\$ 462,967,300
23	GROSS APPROPRIATION	\$	462,967,300
24	Appropriated from:		
25	Special revenue funds:		
26	State trunkline fund		462,967,300
27	State general fund/general purpose	\$	0
28	Sec. 109. ROAD AND BRIDGE PROGRAM		



1	Cities and villages	\$ 743,830,200
2	Cities and villages - HB 4183 motor fuel tax	
3	impact	204,500,000
4	Cities and villages - HB 4187 income tax impact	459,200,000
5	Cities and villages - HB 4187 general fund	260,000,000
6	County road commissions	1,334,117,400
7	County road commissions - HB 4183 motor fuel	
8	tax impact	366,800,000
9	County road commissions - HB 4187 income tax	
10	impact	562,500,000
11	County road commissions - general fund	318,500,000
12	Grants to local programs	33,000,000
13	Local agency wetland mitigation bank fund	2,000,000
14	Local bridge program	26,417,100
15	Local bridge program - HB 4230 neighborhood	
16	road fund	100,000,000
17	Local federal aid and road and bridge	
18	construction	428,999,800
19	Local road agency bridge inspection program	20,000,000
20	Movable bridge	16,309,000
21	Neighborhood road fund - cities and villages	
22	from HB 4230	155,400,000
23	Neighborhood road fund - county road	
24	commissions from HB 4230	119,600,000
25	Rail grade crossing	3,000,000
26	Rail grade crossing - surface improvements	5,000,000
27	Rail grade separation grant program	88,500,000

1	State trunkline federal aid and road and bridge	
2	construction	2,005,049,100
3	State trunkline road and bridge programs -	
4	efficiency savings	67,876,300
5	State trunkline road and bridge programs - HB	
6	4183 motor fuel tax impact	366,800,000
7	State trunkline road and bridge programs - HB	
8	4187 income tax impact	126,300,000
9	GROSS APPROPRIATION	\$ 7,813,698,900
10	Appropriated from:	
11	Federal revenues:	
12	Federal aid - transportation programs	1,744,266,200
13	Special revenue funds:	
14	Local funds	30,003,500
15	Private funds	10,000,000
16	Blue Water Bridge fund	32,757,700
17	Corporate income tax redirect	1,148,000,000
18	Local bridge fund	26,417,100
19	Michigan transportation fund	2,718,556,600
20	Neighborhood road fund	375,000,000
21	State trunkline fund	1,051,697,800
22	State general fund/general purpose	\$ 677,000,000
23	Sec. 110. BLUE WATER BRIDGE	
24	Full-time equated classified positions	38.5
25	Blue Water Bridge operations--FTEs	38.5 \$ 6,714,700
26	GROSS APPROPRIATION	\$ 6,714,700
27	Appropriated from:	
28	Special revenue funds:	

1	Blue Water Bridge fund		6,714,700
2	State general fund/general purpose	\$	0
3	Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT		
4	Forest roads	\$	7,000,000
5	Rural county primary		10,431,600
6	Rural county urban system		2,500,000
7	Target industries/economic redevelopment		24,363,100
8	Urban county congestion		10,431,600
9	GROSS APPROPRIATION	\$	54,726,300
10	Appropriated from:		
11	Special revenue funds:		
12	Economic development fund		54,726,300
13	State general fund/general purpose	\$	0
14	Sec. 112. AERONAUTICS SERVICES		
15	Full-time equated classified positions	48.0	
16	Air service program	\$	50,000
17	Aviation services--FTEs	48.0	10,926,600
18	GROSS APPROPRIATION	\$	10,976,600
19	Appropriated from:		
20	Special revenue funds:		
21	State aeronautics fund		10,976,600
22	State general fund/general purpose	\$	0
23	Sec. 113. PUBLIC TRANSPORTATION SERVICES		
24	Full-time equated classified positions	39.3	
25	Passenger transportation services--FTEs	39.3	\$ 6,389,400
26	GROSS APPROPRIATION	\$	6,389,400
27	Appropriated from:		
28	Federal revenues:		

1	Federal aid - transportation programs	2,000,000
2	Special revenue funds:	
3	Comprehensive transportation fund	4,389,400
4	State general fund/general purpose	\$ 0
5	Sec. 114. LOCAL BUS TRANSIT	
6	Local bus operating	\$ 226,750,000
7	Local bus operating - efficiency incentive	
8	program	59,800,000
9	Nonurban operating/capital	40,626,500
10	GROSS APPROPRIATION	\$ 327,176,500
11	Appropriated from:	
12	Federal revenues:	
13	Federal aid - transportation programs	38,626,500
14	Special revenue funds:	
15	Local funds	2,000,000
16	Comprehensive transportation fund	286,550,000
17	State general fund/general purpose	\$ 0
18	Sec. 115. INTERCITY PASSENGER AND FREIGHT	
19	Full-time equated classified positions	35.2
20	Detroit/Wayne County Port Authority	\$ 600,000
21	Freight property management	1,300,000
22	Intercity services	9,635,400
23	Marine passenger service	20,205,000
24	Office of rail--FTEs	35.2 6,636,700
25	Rail operations and infrastructure	147,688,500
26	GROSS APPROPRIATION	\$ 186,065,600
27	Appropriated from:	
28	Federal revenues:	



1	Federal aid - transportation programs	53,885,000
2	Special revenue funds:	
3	Local funds	760,000
4	Private funds	2,800,000
5	Comprehensive transportation fund	119,527,500
6	Intercity bus equipment fund	45,400
7	Michigan transportation fund	2,211,800
8	Rail freight fund	6,000,000
9	State trunkline fund	835,900
10	State general fund/general purpose	\$ 0
11	Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT	
12	Municipal credit program	\$ 2,000,000
13	Specialized services	30,342,700
14	Transit capital	250,724,200
15	Van pooling	195,000
16	GROSS APPROPRIATION	\$ 283,261,900
17	Appropriated from:	
18	Federal revenues:	
19	Federal aid - transportation programs	160,099,300
20	Special revenue funds:	
21	Local funds	35,185,000
22	Private funds	2,000,000
23	Comprehensive transportation fund	85,977,600
24	State general fund/general purpose	\$ 0
25	Sec. 117. CAPITAL OUTLAY	
26	AIRPORT IMPROVEMENT PROGRAMS	
27	Airport safety, protection, and improvement	
28	program	\$ 182,242,300

1	Detroit Metropolitan Wayne County Airport	12,760,000
2	IIJA airport infrastructure grants	104,827,000
3	GROSS APPROPRIATION	\$ 299,829,300
4	Appropriated from:	
5	Federal revenues:	
6	Federal aid - transportation programs	259,827,000
7	Special revenue funds:	
8	Local funds	17,500,000
9	Private funds	2,000,000
10	Qualified airport fund	12,760,000
11	State aeronautics fund	7,742,300
12	State general fund/general purpose	\$ 0
13	Sec. 118. ONE-TIME APPROPRIATIONS	
14	Maritime and port facility fund	\$ 7,500,000
15	Railroad heritage preservation program	7,500,000
16	Non-motorized trails	7,500,000
17	State aeronautics fund deposit	7,500,000
18	GROSS APPROPRIATION	\$ 30,000,000
19	Appropriated from:	
20	Special revenue funds:	
21	Comprehensive transportation fund	30,000,000
22	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 \$7,828,382,700.00 and state spending under part 1 from state sources to be paid to local units of government is \$5,248,615,700.00. 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	743,830,200
Cities and villages - HB 4183 motor fuel tax impact	204,500,000
Cities and villages - HB 4187 income tax impact	459,200,000
Cities and villages - general fund	260,000,000
County road commissions	1,334,117,400
County road commissions - HB 4183 motor fuel tax impact	366,800,000
County road commissions - HB 4187 income tax impact	562,500,000
County road commissions - general fund	318,500,000
Grants to local programs	33,000,000
Local bridge program	26,417,100
Local bridge program - HB 4230 neighborhood road fund	100,000,000
Local road agency bridge inspection program	20,000,000
Local agency wetland mitigation	2,000,000
Movable bridge	6,309,000
Neighborhood road fund - cities and villages	155,400,000



1	Neighborhood road fund - county road	
2	commissions	119,600,000
3	Rail grade crossing	1,500,000
4	Rail grade surface crossing improvements	5,000,000
5		
	Rail grade separation fund - general fund	88,500,000
7	Transportation economic development	45,468,300
8	Air service program	50,000
9	Local bus operating	226,750,000
10	Local bus operating - efficiency incentive	59,800,000
11	Detroit/Wayne County Port Authority	600,000
12	Marine passenger service	2,000,000
13	Municipal credit program	2,000,000
14	Specialized services	13,000,000
15	Transit capital	70,782,600
16	Airport safety, protection, and improvement	
17	program	7,742,300
18	Detroit Metropolitan Wayne County Airport	12,760,000
19	Total payments to local units of government	\$ 5,248,615,700

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

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

- 24 (a) "CTF" means comprehensive transportation fund.
25 (b) "Department" means the state transportation department.
26 (c) "Director" means the director of the department.
27 (d) "DOT" means the United States Department of
28 Transportation.

- (e) "DOT-FHWA" means DOT, Federal Highway Administration.



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

3 (g) "IDG" means interdepartmental grant.

4 (h) "IIJA" means the infrastructure investment and jobs act,
5 2021, Public Law 117-58.

6 (i) "MTF" means Michigan transportation fund.

7 (j) "SAF" means state aeronautics fund.

8 (k) "Standard report recipients" means the senate and house
9 appropriations subcommittees on transportation, the senate and
10 house fiscal agencies, the senate and house policy offices, and the
11 state budget office.

12 (l) "STF" means state trunkline fund.

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

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

21 (a) The funds must not be used for the purchase of foreign
22 goods or services, or both, if competitively priced and of
23 comparable quality American goods or services, or both, are
24 available.

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

28 (c) Preference must be given to goods or services, or both,
29 that are manufactured or provided by Michigan businesses owned and



1 operated by veterans, if they are competitively priced and of
2 comparable quality.

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

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

18 (a) The dates of each travel occurrence.

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

24 Sec. 209. Not later than December 15, the state budget office
25 shall prepare and submit a report that provides estimates of the
26 total general fund/general purpose appropriation lapses at the
27 close of the previous fiscal year. The report must summarize the
28 projected year-end general fund/general purpose appropriation
29 lapses by major departmental program or program areas. The state



1 budget office shall submit the report to the standard report
2 recipients and to the chairpersons of the senate and house
3 appropriations committees.

4 Sec. 210. (1) In addition to the funds appropriated in part 1,
5 there is appropriated an amount not to exceed \$500,000,000.00 for
6 federal contingency authorization. Amounts appropriated under this
7 subsection are not available for expenditure until they have been
8 transferred to another line item in part 1 under section 393(2) of
9 the management and budget act, 1984 PA 431, MCL 18.1393.

10 (2) In addition to the funds appropriated in part 1, there is
11 appropriated an amount not to exceed \$40,000,000.00 for state
12 restricted contingency authorization. Amounts appropriated under
13 this subsection are not available for expenditure until they have
14 been transferred to another line item in part 1 under section
15 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

22 (4) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$11,000,000.00 for private
24 contingency authorization. Amounts appropriated under this
25 subsection are not available for expenditure until they have been
26 transferred to another line item in part 1 under section 393(2) of
27 the management and budget act, 1984 PA 431, MCL 18.1393.

28 Sec. 211. (1) The department shall cooperate with the
29 department of technology, management, and budget to maintain a



1 searchable website accessible by the public at no cost that
2 includes, but is not limited to, all of the following for the
3 department:

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

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

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

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

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

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

28 Sec. 219. The department shall receive and retain copies of
29 all reports funded from appropriations in part 1. The department



1 shall follow federal and state law and guidelines for short-term
2 and long-term retention of records. The department may
3 electronically retain copies of reports unless otherwise required
4 by federal and state guidelines.

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

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

16 Sec. 222b. The department shall submit a quarterly report that
17 summarizes all work project accounts. The report must include all
18 of the following:

19 (a) A list of all work project accounts.

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

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

27 Sec. 223. If the state administrative board, acting under
28 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
29 appropriated under part 1, the legislature may, by a concurrent



1 resolution adopted by a majority of the members elected to and
2 serving in each house, intertransfer funds within part 1 for the
3 particular department, board, commission, officer, or institution.

4 Sec. 225. (1) From the funds appropriated in part 1, the
5 department shall do the following:

6 (a) Report to the standard report recipients and to the senate
7 and house appropriations committees any amounts of severance pay
8 for a department director, deputy director, or other high-ranking
9 department official not later than 14 days after a severance
10 agreement with the director, deputy director, or official is
11 signed. The name of the director, deputy director, or official and
12 the amount of severance pay must be included in the report required
13 by this subdivision.

14 (b) Not later than February 1, report on the total amount of
15 severance pay remitted to former department employees during the
16 prior fiscal year and the total number of former department
17 employees that were remitted severance pay during the prior fiscal
18 year.

19 (2) As used in this section, "severance pay" means
20 compensation to which either of the following apply:

21 (a) The compensation is either payable or paid upon the
22 termination of employment.

23 (b) The compensation is paid in addition to wages or benefits
24 earned during the course of employment or generally applicable
25 retirement benefits.

26 Sec. 226. (1) The department shall maximize the efficiency of
27 the state workforce. The department shall prioritize employees
28 working in person 5 days per week for each division within the
29 department. Employees with job responsibilities that require the



1 employees to serve in their capacities outside of the office must
2 report to the office before beginning fieldwork. Field service
3 employees include, but are not limited to, protective services
4 workers, parole and probation officers, conservation officers,
5 state troopers assigned to road patrol, inspectors, and
6 construction and trade workers.

7 (2) The department shall establish a policy and process for
8 verifying that all employees are working their jobs during normal
9 business hours.

10 (3) The department shall provide information on employee badge
11 scanning when requested by a member of the legislature.

12 Sec. 227. (1) Funds appropriated in part 1 that are utilized
13 for grants or grant programs are subject to the following
14 conditions:

15 (a) Grant funds must be provided only to an entity that has
16 been established or is operating in this state or another state for
17 at least 36 months before approval or disbursement of grant funds.

18 (b) Grant funds must be provided only to an entity that has
19 had an office within this state or in the service area covered
20 under the grant for at least 12 months before approval or
21 disbursement of grant funds.

22 (c) Before awarding or disbursing grant funds, all grant
23 recipients must provide a spending plan that specifies the scope of
24 service, the program goals, the measurement for meeting program
25 goals, and how all grant funds will be used and must indicate if
26 any grant funds will be provided to a third party or subrecipient.

27 (d) Up to 20% of grant funds may be spent on administrative
28 costs and salaries. Up to 10% is authorized for contingencies.

29 (e) Each department or agency responsible for awarding or



1 disbursing grant funds must annually audit the entity's use of the
2 grant funds for each fiscal year in which the grant is active. Each
3 entity must submit information requested by the department to
4 confirm compliance.

5 (f) Each department and agency shall work with the office of
6 the auditor general to conduct an audit of the grant according to
7 generally accepted accounting practices and audit standards. The
8 office of the auditor general must be given access to all internal
9 and external records. All contracts or agreements between a
10 department or agency and a grant recipient or between a grant
11 recipient and a third party must include a clause granting the
12 office of the auditor general access to all internal and external
13 records.

14 (g) Grant recipients and their immediate family members are
15 prohibited from being employed by the executive branch or
16 legislative branch of this state. In addition, grant recipients are
17 prohibited from serving on any state board that has direct or
18 indirect responsibility for approving of or auditing grant funds
19 awarded or disbursed by any department or agency.

20 (h) Full and complete audits of grant funds issued by the
21 department or an agency of this state, without redaction unless
22 required by law, must be posted to the department's website in a
23 conspicuous place for public review.

24 (2) On a quarterly basis, the department shall submit a report
25 to the standard report recipients on legislatively sponsored grant
26 funds that includes, but is not limited to, all of the following:

27 (a) The name of each grant recipient and the status of each
28 grant.

29 (b) The amount distributed to each grant recipient.



1 (c) The remaining amount to be distributed to each grant
2 recipient.

3 (d) Any changes to scope or costs of program.

4 (3) The report under subsection (2) must include the following
5 statements made by the department:

6 (a) A statement that confirms the department reviewed and
7 affirmed compliance by each grant recipient to program scope and
8 expenditure of grant funding.

9 (b) A statement that confirms the department reviewed
10 applicable program reports and requests for reimbursement.

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

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

23 (3) The department shall not contract with any foreign
24 entities that are known or suspected to be enemies of the United
25 States, or known foreign adversaries. Foreign adversaries include
26 all of the following:

27 (a) The People's Republic of China.

28 (b) The Russian Federation.

29 (c) The Islamic Republic of Iran.



1 (d) The Democratic People's Republic of Korea.

2 (e) The Republic of Cuba.

3 (f) The Venezuelan regime of Nicolás Maduro.

4 (g) The Syrian Arab Republic.

5 (h) An agency or other entity under significant control of a
6 country described in subdivisions (a) to (g).

7 (4) As used in this section, "E-Verify" means an internet-
8 based system operated by the Department of Homeland Security, U.S.
9 Citizenship and Immigration Services in partnership with the Social
10 Security Administration.

11 Sec. 229. Funds appropriated in part 1 from state or federal
12 sources are prohibited from being used to provide services, grants,
13 or programming to an individual who is not a citizen of the United
14 States, unless the individual is a qualified alien as that term is
15 defined in 8 USC 1641. This section does not prohibit the
16 department, political subdivision, state university, or other state
17 agency from expending funds for the purpose of detaining
18 individuals who are not citizens of the United States, including
19 any costs associated with housing such individuals in county jails
20 or state correctional facilities.

21 Sec. 234. Total authorized appropriations from all sources
22 under part 1 for legacy costs for the fiscal year ending September
23 30, 2026 are estimated at \$41,805,400.00. From this amount, total
24 appropriations for pension-related legacy costs for the department
25 are estimated at \$37,705,900.00. Total appropriations for retiree
26 health care legacy costs for the department are estimated at
27 \$4,099,500.00.

28 Sec. 235. (1) The department shall maintain, on a publicly
29 accessible website, a department scorecard that identifies, tracks,



1 and updates on a quarterly basis key metrics that are used to
2 monitor and improve the department's performance.

3 (2) The department must notify the standard report recipients
4 when the quarterly updates to the department scorecard are
5 available on a publicly accessible website.

6 Sec. 236. (1) Unless specifically authorized elsewhere in this
7 part or part 1, funds appropriated in part 1 must not be used to
8 pay for a state obligation that exceeds \$200,000.00 for a court-
9 approved judgment, settlement, award, or claim without prior
10 legislative approval.

11 (2) If a state obligation for a court-approved judgment,
12 settlement, award, or claim results in a change from current
13 statute, the department shall notify the legislature.

14 (3) This section does not apply to compensation and other
15 relief to individuals wrongfully imprisoned as required under the
16 wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751
17 to 691.1757.

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

26 Sec. 238. State funds must not be used for diversity, equity,
27 and inclusion, or DEI, initiatives or programs or as outlined in
28 Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending
29 Radical and Wasteful Government DEI Programs and Preferencing",



1 Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending
2 Women from Gender Ideology Extremism and Restoring Biological Truth
3 to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg.
4 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring
5 Merit-Based Opportunity".

6
7 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

8 Sec. 301. The department may establish a fee schedule and
9 collect fees sufficient to cover the costs to issue the permits
10 that the department is authorized by law to issue on request,
11 unless otherwise stipulated by law. All permit fees are
12 nonrefundable application fees and must be credited to the
13 appropriate fund to recover the direct and indirect costs of
14 receiving, reviewing, and processing the requests.

15 Sec. 302. Not later than February 1, 2026, the department
16 shall report to the house and senate appropriations subcommittees
17 on transportation, the house and senate fiscal agencies, and the
18 state budget office on STF debt service. The report must include
19 all of the following:

20 (a) An accounting of the prior fiscal year's STF debt service
21 payments, including a calculation of STF debt service payments as a
22 percentage of STF revenue secured by constitutionally restricted
23 revenue.

24 (b) A projection of STF debt service obligations for the
25 fiscal year ending September 30, 2026, including a calculation of
26 STF debt service obligations as a percentage of estimated STF
27 revenue secured by constitutionally restricted revenue.

28 (c) A description of all bond sales planned for the fiscal
29 year ending September 30, 2026.



1 Sec. 303. (1) When the department places signs identifying
2 trunkline construction projects as bond-financed, the signs shall
3 identify the total cost of the project and the estimated borrowing
4 costs associated with the bonds used to finance the project. Text
5 and numeric figures identifying estimated borrowing costs
6 associated with bonds used to finance projects shall be the same
7 font and font size as the text and numeric figures identifying
8 trunkline construction projects as bond-financed.

9 (2) The department must remove all signs identifying trunkline
10 construction projects as bond-financed that are not in compliance
11 with this section.

12 Sec. 304. If, as a requirement of bidding on a highway
13 project, the department requires a contractor to submit financial
14 or proprietary documentation as to how the bid was calculated, the
15 department shall keep that bid documentation confidential and shall
16 not disclose that bid documentation other than to a department
17 representative without the contractor's written consent. The
18 department may disclose the bid documentation if necessary to
19 address or defend a claim by a contractor.

20 Sec. 306. (1) The amounts appropriated in part 1 to support
21 tax and fee collection, law enforcement, and other program services
22 provided to the department and to transportation funds by other
23 state departments must be expended from transportation funds
24 pursuant to annual contracts between the department and those other
25 state departments. The contracts must be executed before the
26 expenditure or obligation of those funds. The contracts must
27 provide, but are not limited to, the following data applicable to
28 each state department:

29 (a) Estimated costs to be recovered from transportation funds.



1 (b) Description of services provided to the department and/or
2 transportation funds and financed with transportation funds.

3 (c) Detailed cost allocation methods appropriate to the type
4 of services being provided and the activities financed with
5 transportation funds.

6 (2) Not later than 2 months after publication of the state of
7 Michigan annual comprehensive financial report, each state
8 department receiving funding pursuant to an interdepartment
9 contract with the department shall submit a written report to the
10 department, the state budget director, the house and senate fiscal
11 agencies, and the auditor general stating by spending authorization
12 account the amount of estimated funds contracted with the
13 department, the amount of funds expended, the amount of funds
14 returned to the transportation funds, and any unreimbursed
15 transportation-related costs incurred but not billed to
16 transportation funds.

17 Sec. 307. Before March 1, the department shall provide to the
18 legislature, the state budget director, and the house and senate
19 fiscal agencies its rolling 5-year plan listing by county or by
20 county road commission all highway construction projects for the
21 fiscal year and all expected projects for the ensuing fiscal years.

22 Sec. 310. The department shall post in a timely manner copies
23 of the agenda, approved minutes, and audio recording of state
24 transportation commission meetings.

25 Sec. 311. (1) The department shall prepare a report on all of
26 the following:

27 (a) CRRSAA - highway infrastructure - local bridge bundling
28 initiative established in section 113(2) of article 14 of 2021 PA
29 87.



1 (b) Local bridge bundling initiative established in section
2 118 of article 15 of 2023 PA 119.

3 (2) The report must identify the status of bridge projects
4 selected, funds expended under the program, and funds remaining.

5 (3) The report shall be submitted to the standard report
6 recipients on or before March 30, 2026.

7 Sec. 313. (1) From funds appropriated in part 1, the
8 department may increase a state infrastructure bank program and
9 grant or loan funds in accordance with regulations of the state
10 infrastructure bank program of the United States Department of
11 Transportation. The department shall administer the state
12 infrastructure bank for the purpose of providing a revolving, self-
13 sustaining resource for financing transportation infrastructure
14 projects.

15 (2) In addition to funds provided in subsection (1), money
16 received by this state as federal grants, repayment of state
17 infrastructure bank loans, or other reimbursement or revenue
18 received by this state as a result of projects funded by the
19 program and interest earned on that money must be deposited in the
20 revolving state infrastructure bank fund and must be available for
21 transportation infrastructure projects. At the close of the fiscal
22 year, any unencumbered funds remaining in the state infrastructure
23 bank fund remain in the fund and carry forward into the succeeding
24 fiscal year.

25 (3) The department shall prepare a report on the status of the
26 state infrastructure bank and submit the report to the standard
27 report recipients on or before December 31, 2025. The report must
28 include all of the following:

29 (a) The balance in the state infrastructure bank on September



1 30, 2025, including a breakdown of the balance by cash and cash
2 equivalents, outstanding loans, and balance available for loan to
3 local agencies.

4 (b) A breakdown of the state infrastructure loan balance by
5 amounts originating from federal sources and the amounts
6 originating from nonfederal sources.

7 (c) A list of outstanding loans by agency, original loan
8 amount, project description, loan term, and amount outstanding.

9 Sec. 319. The department shall post signs at each rest area to
10 identify the agency or contractor responsible for maintenance of
11 the rest area. The signs shall include a department telephone
12 number and shall indicate that unsafe or unclean conditions at the
13 rest area may be reported to that telephone number

14 Sec. 353. The department shall review its contractor payment
15 process and ensure that all prime contractors are paid promptly.
16 The department shall ensure that prime contractors are in
17 compliance with special provision 109.10 regarding the prompt
18 payment of subcontractors.

19 Sec. 356. For all contracts and procurements funded under this
20 act, the department shall prioritize the awarding of contracts to
21 Michigan-based manufacturers and businesses that employ Michigan
22 residents, including, but not limited to, contracts for either of
23 the following:

24 (a) Pigment for road markings.

25 (b) Cement for road building and other concrete building
26 projects.

27 Sec. 357. When presented with complete local federal aid
28 project submittals, the department shall complete all necessary
29 reviews and inspections required to let local federal aid projects



1 within 120 days of receipt. The department shall implement a system
2 for monitoring the local federal aid project review process.

3 Sec. 358. Except as required to receive federal funding, the
4 department shall not utilize bridge bundling contracting methods
5 for projects involving the construction, rehabilitation, or
6 replacement of state or locally owned bridges. If a bridge bundling
7 contracting method is required as a condition of federal
8 participation in project costs, all of the following conditions
9 apply:

10 (a) A bridge bundling project package is limited to a maximum
11 of 5 bridges.

12 (b) Each bridge bundling project package must be confined to a
13 single department region.

14 (c) Except for standard prequalification requirements, the
15 department shall not limit the number of eligible bidders for a
16 bridge bundling project package.

17 Sec. 375. The department is prohibited from reimbursing
18 contractors or consultants for costs associated with groundbreaking
19 ceremonies, receptions, open houses, or press conferences related
20 to transportation projects funded, in whole or in part, by revenue
21 appropriated in part 1.

22 Sec. 381. (1) The bond repayment fund is created within the
23 department of treasury and shall be administered by the state
24 transportation department.

25 (2) From the unexpended and unencumbered funds appropriated in
26 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 that were
27 designated as work project appropriations, the state transportation
28 department shall work with the state budget director to lapse a
29 total of \$2,400,000,000.00. The \$2,400,000,000.00 in work project



1 lapse funds must be made available for expenditure for debt service
2 payments on STF refunding and rebuilding Michigan bonds issued
3 after January 2020.

4 Sec. 382. In administering a contract with a county road
5 commission, city, or village that allocates costs of construction
6 or reconstruction of highways, roads, and streets as provided in
7 section 18d of 1951 PA 51, MCL 247.668d, the department shall
8 submit the final cost-sharing bill to the county road commission,
9 city, or village not later than 2 years after the date of the final
10 contract payment to the construction contractor.

11 Sec. 383. (1) The department shall prepare a report on use of
12 department-owned aircraft during the fiscal year ending September
13 30, 2025. With respect to each department-owned aircraft, the
14 report must include all of the following:

15 (a) Total hours of usage.

16 (b) Description of specific flights including dates of travel,
17 names of passengers including state agency, university, or local
18 government affiliation, travel origin and destination, and total
19 estimated costs associated with the air travel.

20 (2) The department shall submit the report to the standard
21 report recipients no later than February 1, 2026.

22 (3) The department shall maintain a system for recovering the
23 cost of operating department-owned aircraft through charges to
24 aircraft users.

25 Sec. 384. (1) Except as otherwise provided in subsection (2),
26 the department shall not obligate this state to expend any state
27 transportation revenue for construction planning or construction of
28 the Gordie Howe International Crossing or a renamed successor. In
29 addition, except as provided in subsection (2), the department



1 shall not commit this state to any new contract related to the
2 construction planning or construction of the Gordie Howe
3 International Crossing or a renamed successor that would obligate
4 this state to expend any state transportation revenue. An
5 expenditure for staff resources used in connection with project
6 activities that is subject to full and prompt reimbursement from
7 Canada is not considered an expenditure of state transportation
8 revenue.

9 (2) If the legislature enacts specific enabling legislation
10 for the construction of the Gordie Howe International Crossing or a
11 renamed successor, subsection (1) does not apply once the enabling
12 legislation goes into effect.

13 Sec. 385. (1) The department shall submit monthly reports to
14 the standard report recipients, the speaker of the house of
15 representatives, the house of representatives minority leader, the
16 senate majority leader, and the senate minority leader on all of
17 the following:

18 (a) All expenditures made by this state related to the Gordie
19 Howe Bridge.

20 (b) All reimbursements made by Canada under section 384(1) of
21 this part to this state for expenditures for staff resources used
22 in connection with project activities.

23 (c) All eminent domain and condemnation powers used, the
24 related real estate involved in any governmental taking, the price
25 paid for those properties, and the beneficiary's name or associated
26 corporation.

27 (2) The department shall submit the initial report required
28 under subsection (1) on or before December 1, 2025. The initial
29 report must cover the fiscal year ending September 30, 2025.



1 Sec. 386. By not later than May 1, the department shall submit
2 a report to the state budget director, the house and senate
3 appropriations subcommittees on transportation, and the house and
4 senate fiscal agencies on the department's toll credit program. The
5 report must include the following information:

6 (a) The amount of toll credits earned and certified by the
7 DOT-FHWA in the prior fiscal year.

8 (b) The value of toll credits used by programs and projects in
9 the prior fiscal year.

10 (c) The balance of available toll credits at the end of the
11 prior fiscal year.

12 (d) A discussion of the department's strategy for using toll
13 credits.

14 Sec. 387. Within 90 days of completion of any formal traffic
15 study, formal traffic control study, or formal traffic mitigation
16 study, the department shall post the results of the study on the
17 department's website.

18 Sec. 388. From the funds appropriated in part 1, the
19 department shall not expend any state funds or other resources in
20 support of federal U.S. Department of Transportation grant
21 693JJ22440000Y430MI24A0815.

22 Sec. 389. (1) Within 30 days after entering into a long-term
23 agreement with a private contractor, a public agency, or a
24 partnership between 1 or more private contractors or public
25 agencies, the department shall notify the state budget director,
26 the house and senate appropriations subcommittees on
27 transportation, and the house and senate fiscal agencies of the
28 agreement, including the subject of the agreement, the term of the
29 agreement, and financial obligations under the agreement.



1 (2) As used in this section, "long-term agreement" means an
2 agreement that obligates the department for a period of 5 years or
3 more and that actually or contingently obligates the department to
4 make payments over the contract period of \$5,000,000.00 or more.

5 Sec. 390. For the 2025 and 2026 budget, the department shall
6 not expend or continue to expend funds in eminent domain
7 proceedings in pending or future litigation or otherwise regarding
8 the valuation of outdoor advertising structures and their
9 leaseholds where the department is presented with lawful relocation
10 opportunities for replacement at alternate locations or other
11 reasonable and lawful accommodations that the affected owner
12 advises the department that the owner is willing to accept in lieu
13 of the payment of all or a portion of offered just compensation.
14 When no accommodation in lieu of just compensation can be reached,
15 the department will value the affected outdoor advertising
16 structure and its leasehold using an income- or market-based
17 valuation approach and not a cost-based valuation approach for all
18 pending or future condemnation proceedings.

19 Sec. 394. The department and local road agencies shall make
20 the preservation of their existing road networks a funding
21 priority.

22 Sec. 395. From the funds appropriated in part 1 for state
23 trunkline federal aid road and bridge construction, the department
24 may expend up to \$10,000,000.00 on highway maintenance activities
25 to support safety-related, high-priority, and other deferred
26 routine maintenance needs on the state trunkline network.

27 Sec. 398. The department shall continue to work to eliminate
28 fatalities and serious injuries on the state trunkline network and
29 shall maintain the Toward Zero Deaths statewide safety campaign.



1 Sec. 399. In developing its state trunkline road and bridge
2 construction program, the department shall prioritize spending on
3 capital preventative maintenance. From the funds appropriated in
4 part 1 for state trunkline road and bridge construction, not less
5 than \$100,000,000.00 must be allocated for capital preventative
6 maintenance treatments for pavement preservation.

7
8 **FEDERAL**

9 Sec. 402. A portion of the federal DOT-FHWA highway research,
10 planning, and construction funds made available to this state shall
11 be allocated to transportation programs administered by local
12 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
13 247.660o. A local road agency, with respect to a project approved
14 for federal aid funding in a state transportation improvement
15 program, may enter into a voluntary buyout agreement with the
16 department or with another local road agency to exchange the
17 federal aid with state restricted transportation funds as agreed to
18 by the respective parties. The state restricted transportation
19 funds received in exchange for federal aid funds shall be used for
20 the same purpose as the federal aid funds were originally intended.

21
22 **MICHIGAN TRANSPORTATION FUND**

23 Sec. 501. The money received under the motor carrier act, 1933
24 PA 254, MCL 475.1 to 479.42, and not appropriated to the department
25 of licensing and regulatory affairs or the department of state
26 police is deposited in the Michigan transportation fund.

27 Sec. 503. (1) At the close of the fiscal year, funds
28 appropriated in part 1 for the transportation economic development
29 program shall lapse to the transportation economic development



1 fund.

2 (2) At the close of the fiscal year, funds appropriated in
3 part 1 for the local bridge program shall carry forward and are
4 appropriated for the purposes defined in section 10(5) of 1951 PA
5 51, MCL 247.660.

6 (3) Interest earned in the transportation economic development
7 fund and local bridge fund shall remain in the respective funds and
8 shall be allocated to the respective programs based on actual
9 interest earned at the end of each fiscal year.

10 (4) In addition to the funds appropriated in part 1, the
11 transportation economic development fund and local bridge fund may
12 receive federal, local, or private funds or restricted source funds
13 such as interest earnings. These funds are appropriated for
14 projects that are consistent with the purposes of the respective
15 funds.

16 (5) None of the funds statutorily dedicated to the
17 transportation economic development fund and local bridge fund
18 shall be diverted to other projects.

19 Sec. 504. Funds from the Michigan transportation fund must be
20 distributed to the comprehensive transportation fund, the economic
21 development fund, the recreation improvement fund, and the state
22 trunkline fund, in accordance with this part and part 1 and part
23 711 of the natural resources and environmental protection act, 1994
24 PA 451, MCL 324.71101 to 324.71108, and may only be used as
25 specified in this part and part 1, 1951 PA 51, MCL 247.651 to
26 247.675, and part 711 of the natural resources and environmental
27 protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

28 Sec. 505. The part 1 appropriation for local road agency
29 bridge inspection program must be used for the costs incurred by



1 local road agency bridge owners in attaining compliance with DOT-
2 FHWA national bridge inspection standards codified under 23 CFR
3 650, subpart C.

4
5 **STATE TRUNKLINE FUND**

6 Sec. 601. (1) The department shall maintain documentation to
7 support initial acceptance of warrantied projects, interim and
8 final inspections, and notifications to contractors that the
9 warranty period had expired. The department also shall review and
10 evaluate consultant evaluation requirements or recommendations and
11 update existing policies and procedures accordingly.

12 (2) The department shall review its warranty administration
13 processes, procedures, and associated manuals to ensure that all of
14 the following occur:

15 (a) Initial notifications of needed corrective action are sent
16 prior to warranty expiration.

17 (b) Consistent and timely second notifications of needed
18 corrective action are sent if contractors do not respond within 30
19 days of an initial notification.

20 (c) The department has an effective process to establish time
21 frames for corrective action completion.

22 (d) Daily inspector reports on all warranty segments are
23 completed consistently.

24 (3) The department shall report on the review described in
25 subsection (2) and changes resulting from the review. The
26 department shall submit the report to the state budget director,
27 the house and senate appropriations subcommittees on
28 transportation, and the house and senate fiscal agencies not later
29 than March 31, 2026.



1 Sec. 603. The department shall report to the senate and house
2 appropriations subcommittees on transportation by December 31, 2025
3 on the operational condition of the Mackinac bridge, its long-term
4 viability, the costs of preventative maintenance and potential
5 upgrades, and the cost and feasibility of constructing a separate
6 method of transporting commercial, emergency, and passenger vehicle
7 traffic.

8 Sec. 604. At the close of the fiscal year, any unencumbered
9 and unexpended balance in the state trunkline fund remains in the
10 state trunkline fund and carries forward and is appropriated for
11 federal aid road and bridge programs for projects contained in the
12 annual state transportation program.

13 Sec. 612. (1) The department shall report on incentives and
14 disincentives provided under state trunkline construction
15 contracts. The report must include all of the following:

16 (a) Guidelines governing use of incentive and disincentive
17 provisions.

18 (b) A list of incentive and disincentive payments made on
19 projects completed in the prior calendar year, including the amount
20 of incentive or disincentive payments by contract or project, and
21 the reason for the incentive or disincentive payment.

22 (2) The department shall submit the report described in this
23 section to the standard report recipients by not later than March
24 31, 2026.

25 Sec. 614. From the funds appropriated in part 1, the
26 department shall use \$60,000.00 for safety enhancements, including,
27 but not limited to, cabling and guardrail on M-53 in Washington
28 Township in Macomb County.

29 Sec. 660. (1) The legislature encourages the department to



1 examine the use of alternative road surface materials and develop
2 criteria and specifications for their use in both department-
3 managed and contracted projects.

4 (2) From funds appropriated in part 1, the department shall
5 establish the Michigan state transportation innovation council to
6 review innovative road materials and innovative road and bridge
7 design and construction specifications. The Michigan state
8 transportation innovation council shall include, but is not limited
9 to, a representative of the DOT-FHWA, an appointee chosen by the
10 speaker of the house of representatives, and an appointee chosen by
11 the senate majority leader.

12 13 **TRANSIT AND RAIL RELATED FUNDS**

14 Sec. 701. The department shall establish an intercity bus
15 equipment and facility fund as a subsidiary fund within the
16 comprehensive transportation fund created under section 10b of 1951
17 PA 51, MCL 247.660b. Proceeds received by this state from the sale
18 of state-owned intercity bus equipment must be credited to the
19 intercity bus equipment and facility fund for the purchase and
20 repair of intercity bus equipment, as appropriated. Security
21 deposits not returned to a lessee of state-owned intercity bus
22 equipment under terms of the lease agreement must be credited to
23 the intercity bus equipment and facility fund for the repair of
24 intercity bus equipment, as appropriated. Money received by the
25 department from lease payments for state-owned intercity bus
26 equipment, and facility maintenance charges under terms of leases
27 of state-owned intercity facilities, must be credited to the
28 intercity bus equipment and facility fund for the purchase and
29 repair of intercity bus equipment or for the maintenance and



1 rehabilitation of state-owned intercity facilities, as
2 appropriated. At the close of the fiscal year, any funds remaining
3 in the intercity bus equipment and facility fund remain in the fund
4 and are carried forward into the succeeding fiscal year.

5 Sec. 702. Money that is received by this state as repayment
6 for loans made for rail or water freight capital projects, and as a
7 result of the sale of property or equipment used or projected to be
8 used for rail or water freight projects must be deposited in the
9 rail freight fund created by section 17 of the state transportation
10 preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of
11 the fiscal year, any funds remaining in the rail freight fund
12 remain in the fund and are carried forward into the succeeding
13 fiscal year.

14 Sec. 703. (1) The department shall distribute the funds
15 appropriated in part 1 for local bus operating - efficiency
16 incentive to eligible authorities and eligible governmental
17 agencies as a percentage of eligible operating expenses.

18 (2) The distribution of local bus operating - efficiency
19 incentive funds shall be made only to eligible authorities and
20 eligible governmental agencies that achieve the following farebox
21 recovery as a percentage of eligible operating expenses:

22 (a) For service provided in an area with a population greater
23 than 100,000, 10%.

24 (b) For service provided in an area with a population less
25 than or equal to 100,000, 6%.

26 (3) As used in this section, "eligible authority" and
27 "eligible governmental agency" mean those terms as defined in
28 section 10c of 1951 PA 51, MCL 247.660c.

29 Sec. 704. From the funds appropriated in part 1, the



1 department shall prepare and transmit a report that includes the
2 department's current rolling 5-year rail plan and detail regarding
3 the department's obligations for programs funded under the
4 appropriation in part 1 for rail operations and infrastructure. The
5 report must include a breakdown of the appropriation by program,
6 year-to-date obligations under each program itemized by project,
7 and an estimate of future obligations under each program itemized
8 by project for the remainder of the fiscal year. The department
9 shall submit the report to the standard report recipients on or
10 before December 1, 2025.

11 Sec. 705. After receiving notification from a railroad company
12 pursuant to section 8 of the state transportation preservation act
13 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
14 notify the house of representatives and senate appropriations
15 subcommittees on transportation and the state budget office that
16 the railroad company has filed with the appropriate governmental
17 agencies for abandonment of a line.

18 Sec. 706. The Detroit/Wayne County Port Authority shall issue
19 a complete operations assessment and a financial disclosure
20 statement. The operations assessment shall include operational
21 goals for the next 5 years and recommendations to improve land
22 acquisition and development efficiency. The report shall be
23 completed and submitted to the house and senate appropriations
24 subcommittees on transportation, the state budget director, and the
25 house and senate fiscal agencies by June 30 of each fiscal year for
26 the prior fiscal year.

27 Sec. 707. (1) Before March 1, 2026, the department shall
28 provide to the legislature, the state budget office, and the house
29 and senate fiscal agencies its rail strategic plan. The strategic



1 plan must include, but is not limited to, a rolling 5-year rail
2 plan and a summary of the department's obligations for programs
3 funded under the appropriation in part 1 for rail operations and
4 infrastructure.

5 (2) The rolling 5-year rail plan must include, but is not
6 limited to, all of the following:

7 (a) A listing by county of all rail infrastructure projects on
8 rail lines within this state utilizing state funds, and the
9 estimated cost of each project.

10 (b) The actual or projected state expenditures for operation
11 of passenger rail service.

12 (c) The actual or projected state expenditures for maintenance
13 of passenger service rail lines.

14 (3) The period of the rolling 5-year rail plan must include
15 the fiscal year ending September 30, 2026 and the immediately
16 following 4 fiscal years.

17 (4) The summary of the department's obligations for programs
18 funded under the appropriation in part 1 for rail operations and
19 infrastructure must include a breakdown of the appropriation by
20 program, year-to-year obligations under each program itemized by
21 project, and an estimate of future obligations under each program
22 itemized by project for the remainder of the fiscal year.

23 Sec. 720. It is the intent of the legislature that all transit
24 agencies in Michigan should strive to achieve a farebox recovery
25 rate of not less than 6%.

26 Sec. 721. The part 1 appropriation for maritime and port
27 facility fund must be credited to the maritime and port facility
28 assistance fund established in section 7 of the maritime and port
29 facility assistance grant program act, 2022 PA 159, MCL 120.157.



1 Sec. 722. The part 1 appropriation for rail grade separation
2 fund must be credited to the local grade separation fund created
3 under section 11i of 1951 PA 51, MCL 247.661i.

4 Sec. 723. The part 1 appropriation for nonmotorized trails
5 shall be used to establish and maintain a system of trails in this
6 state for nonmotorized use.

7 Sec. 724. The part 1 appropriation for state aeronautics fund
8 deposit shall be credited to the state aeronautics fund established
9 under the aeronautics code of the state of Michigan, 1945 PA 327,
10 MCL 259.1 to 259.208, and used for capital improvements and air
11 service improvements at general aviation airports in this state.

12 Sec. 735. For the fiscal year ending September 30, 2026, the
13 appropriation to a street railway pursuant to section 10e(22) of
14 1951 PA 51, MCL 247.660e, is \$0.

15 Sec. 736. No funds from the appropriations in part 1 may be
16 used for a rail freight development project to support the
17 cessation of energy pipeline operations across the Straits of
18 Mackinac.

19 Sec. 752. The legislature encourages the department to meet
20 with representatives of a rail industry trade association to
21 provide information on the availability of rail infrastructure loan
22 and grant funding programs and freight economic development project
23 opportunities.

24 Sec. 753. From the funds appropriated in part 1 for the
25 railroad heritage preservation program, the department shall
26 establish a railroad heritage preservation program to provide
27 funding to organizations for the promotion of railroading in this
28 state with a focus on Michigan railroad history. The department
29 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, 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 reestablish and maintain air service between Marquette and Lansing with services provided in the following order of priority:

(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.



1 (2) Political entities and subdivisions shall provide not less
2 than 5% of the cost of any project under this section, unless a
3 total nonfederal share less than 10% is otherwise specified in
4 federal law. State money must not be allocated until local money is
5 allocated. State money for any 1 project must not exceed 1/3 of the
6 total appropriation in part 1 from state funds for airport
7 improvement programs.

8 (3) The Michigan aeronautics commission may take those steps
9 necessary to match federal money available for airport construction
10 and improvement within this state and to meet the matching
11 requirements of the federal government. Whether acting alone or
12 jointly with another political subdivision or public agency or with
13 this state, a political subdivision or public agency of this state
14 shall not submit to any agency of the federal government a project
15 application for airport planning or development unless it is
16 authorized in this part and part 1 and the project application is
17 approved by the governing body of each political subdivision or
18 public agency making the application and by the Michigan
19 aeronautics commission.

20 Sec. 903. The appropriations in part 1 for capital outlay are
21 carried forward at the end of the fiscal year consistent with the
22 provisions of section 248 of the management and budget act, 1984 PA
23 431, MCL 18.1248.

