

**No. 57**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**91st Legislature**  
**REGULAR SESSION OF 2002**

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Senate Chamber, Lansing, Thursday, June 27, 2002.

10:00 a.m.

The Senate was called to order by the President pro tempore, Senator John J.H. Schwarz.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Bennett—present  
Bullard—present  
Byrum—present  
Cherry—present  
DeBeaussaert—present  
DeGrow—present  
Dingell—present  
Dunaskiss—present  
Emerson—present  
Emmons—present  
Garcia—excused  
Gast—present  
Goschka—present

Gougeon—present  
Hammerstrom—present  
Hart—present  
Hoffman—excused  
Johnson—present  
Koivisto—present  
Leland—present  
McCotter—present  
McManus—present  
Miller—present  
Murphy—present  
North—present  
Peters—present

Sanborn—present  
Schuette—present  
Schwarz—present  
Scott—present  
Shugars—present  
Sikkema—present  
Smith—present  
Steil—present  
Stille—present  
Van Regenmorter—present  
Vaughn—excused  
Young—present

Senators Schwarz, DeGrow and Cherry and Detroit Mayor Kwame Kilpatrick led the members of the Senate in recital of the *Pledge of Allegiance*.

Senator Joe Young, Jr., of the 1st District offered the following invocation:

Dear God, in all that we ask for, help us to define it so that we actually ask for what we need. Many of us ask for things and when we receive them, we don't know how to handle them. With Your wisdom and Your guidance, make it so that what we ask for is true, and it helps and benefits the people in the state of Michigan. Amen.

### Motions and Communications

Senator Emmons moved that Senator Garcia and Hoffman be excused from today's session.  
The motion prevailed.

Senator Emerson moved that Senator Vaughn be excused from today's session.  
The motion prevailed.

The following communication was received and read:  
Office of the Senate Majority Leader

June 26, 2002

Pursuant to Senate Rule 1.105, I hereby appoint Senator McManus to replace Senator Hoffman as a member of the Conference Committee on House Bill 5651 and as a member of the Conference Committee on House Bill 5650.

Sincerely,  
Dan L. DeGrow  
Senate Majority Leader

The communication was referred to the Secretary for record.

The following communication was received:  
Department of Consumer and Industry Services

June 19, 2002

Pursuant to Section 314 of P.A. 119 of 2001, we are enclosing a copy of the following report:

<u>Type of Report</u>	<u>Facility</u>	<u>Report #</u>	<u>License #</u>
Special Investigation	Arbor Heights Community Justice Center	2002C0207021	CS810200952

This report was performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. The report may also be viewed on our web site at the following address: <http://www.cis.state.mi.us/fast/leg-rep.htm>.

If you have any questions regarding this information, please feel free to contact me at 373-3892.

Sincerely,  
John R. Suckow, C.P.A.  
Director, Finance and Administrative Services

The communication was referred to the Secretary for record.

The following communications were received:  
Office of the Auditor General

June 19, 2002

Enclosed is a copy of the following audit report and/or report summary:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Michigan Department of State Police October 1, 1999 through September 30, 2001.

June 19, 2002

Enclosed is a copy of the following audit report and/or report summary:  
Performance Audit of the Trial Court Services Division, State Court Administrative Office June, 2002.

June 24, 2002

Enclosed is a copy of the following audit report and/or report summary:  
Performance Audit of the Collection Division Department of Treasury June, 2002.

June 26, 2002

Enclosed is a copy of the following audit report and/or report summary:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Department of Consumer and Industry Services October 1, 1999 through September 30, 2001.

June 26, 2002

Enclosed is a copy of the following audit report and/or report summary:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Department of Treasury October 1, 1999  
Sincerely,  
Thomas H. McTavish, C.P.A.  
Auditor General

The communications were referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, June 20:  
**House Bill Nos. 5947 5984 6054 6113**

The Secretary announced the enrollment printing and presentation to the Governor on Wednesday, June 19, for his approval the following bills:

**Enrolled Senate Bill No. 920 at 4:36 p.m.**

The Secretary announced the enrollment printing and presentation to the Governor on Wednesday, June 26, for his approval the following bills:

**Enrolled Senate Bill No. 1314 at 10:30 a.m.**

**Enrolled Senate Bill No. 1016 at 10:32 a.m.**

**Enrolled Senate Bill No. 991 at 10:34 a.m.**

The Secretary announced the printing and placement in the members' files on Thursday, June 20, of:

**Senate Bill Nos. 1376 1377 1378 1379 1380**

**House Bill Nos. 6209 6210 6211 6212 6213 6214 6215 6216 6217 6218 6219 6220 6221 6222  
6223 6224 6225 6226**

### Messages from the Governor

The following messages from the Governor were received:

Date: June 21, 2002

Time: 2:20 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 1265 (Public Act No. 451), being**

An act to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment

and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 18c (MCL 247.668c).

(Filed with the Secretary of State on June 21, 2002, at 4:43 p.m.)

Date: June 21, 2002  
Time: 2:22 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 477 (Public Act No. 455), being**

An act to amend 1937 PA 94, entitled "An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending section 3a (MCL 205.93a), as amended by 1998 PA 366.

(Filed with the Secretary of State on June 21, 2002, at 4:51 p.m.)

Date: June 21, 2002  
Time: 2:24 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 824 (Public Act No. 456), being**

An act to amend 1937 PA 94, entitled "An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending sections 3, 4, and 4q (MCL 205.93, 205.94, and 205.94q), section 3 as amended by 2002 PA 110, section 4 as amended by 2001 PA 39, and section 4q as added by 1999 PA 117, and by adding section 3b; and to repeal acts and parts of acts.

(Filed with the Secretary of State on June 21, 2002, at 4:53 p.m.)

Date: June 21, 2002  
Time: 2:26 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 1248 (Public Act No. 452), being**

An act to amend 1933 PA 167, entitled "An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending section 4v (MCL 205.54v), as added by 1999 PA 116.

(Filed with the Secretary of State on June 21, 2002, at 4:45 p.m.)

Date: June 21, 2002  
Time: 2:30 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 1124 (Public Act No. 453), being**

An act to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or

generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 717 and 719 (MCL 257.717 and 257.719), section 717 as amended by 2000 PA 7 and section 719 as amended by 2002 PA 78.

(Filed with the Secretary of State on June 21, 2002, at 4:47 p.m.)

Date: June 21, 2002  
Time: 2:32 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 415 (Public Act No. 454), being**

An act to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” (MCL 324.101 to 324.90106) by adding section 72113.

(Filed with the Secretary of State on June 21, 2002, at 4:49 p.m.)

Date: June 21, 2002  
Time: 2:52 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 928 (Public Act No. 463), being**

An act to amend 1935 PA 120, entitled “An act to prescribe a method for the fingerprinting of residents of the state, and to provide for the recording and filing thereof by the central records division of the department of state police,” by amending section 3 (MCL 28.273), as added by 1985 PA 175.

(Filed with the Secretary of State on June 21, 2002, at 5:07 p.m.)

Date: June 21, 2002  
Time: 3:00 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 965 (Public Act No. 465), being**

An act to amend 1933 PA 94, entitled “An act to authorize public corporations to purchase, acquire, construct, improve, enlarge, extend, or repair public improvements within or without their corporate limits, and to own, operate, and maintain the same; to authorize the condemnation of property for such public improvements; to provide for the imposition and collection of charges, fees, rentals, or rates for the services, facilities, and commodities furnished by such public improvements; to provide for the issuance of bonds and refunding bonds payable from the revenues of public improvements; to provide for a pledge by public corporations of their full faith and credit and the levy of taxes without limitation as to rate or amount to the extent necessary for the payment of the bonds, or for advancing money from general funds for payment of bonds; to provide for payment, retirement, and security of such bonds; to provide for the imposition of special assessment bonds for the purpose of refunding outstanding revenue bonds; to prescribe the powers and duties of the department of treasury and of the municipal finance commission or its successor agency relative to such bonds and relative to private activity bonds issued by a state or local governmental entity; to provide for other matters in respect to such public improvements and bonds and to validate action taken and bonds issued; and to prescribe penalties and provide remedies,” by amending sections 3, 7, 12, 16, 22, 24, 26, 27, 28, and 30 (MCL 141.103, 141.107, 141.112, 141.116, 141.122, 141.124, 141.126, 141.127, 141.128, and 141.130), section 3 as

amended by 1992 PA 305, sections 7, 12, and 27 as amended by 1985 PA 26, sections 16, 28, and 30 as amended by 1983 PA 76, and section 24 as amended by 1988 PA 228, and by adding sections 12a and 12b.

(Filed with the Secretary of State on June 21, 2002, at 5:11 p.m.)

Date: June 21, 2002

Time: 3:10 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 1267 (Public Act No. 466), being**

An act to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending section 11 (MCL 247.661), as amended by 2000 PA 188.

(Filed with the Secretary of State on June 21, 2002, at 5:13 p.m.)

Date: June 21, 2002

Time: 3:12 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 1301 (Public Act No. 467), being**

An act to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of

certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 18b (MCL 247.668b), as amended by 1985 PA 201.

(Filed with the Secretary of State on June 21, 2002, at 5:15 p.m.)

Date: June 21, 2002

Time: 3:30 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 217 (Public Act No. 468), being**

An act to regulate the servicing, repair, and maintenance of certain appliances and the compensation received by certain persons for those activities; to provide for certain disclosures and warranties regarding those activities; to limit certain representations by service dealers; and to provide for certain remedies.

(Filed with the Secretary of State on June 21, 2002, at 5:17 p.m.)

Date: June 21, 2002

Time: 3:32 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 116 (Public Act No. 469), being**

An act to amend 1917 PA 273, entitled "An act to regulate and license pawnbrokers in cities and incorporated villages of this state, having a population of more than 3,000," by amending the title and sections 1, 2, 3, 5, 6, 8, and 19 (MCL 446.201, 446.202, 446.203, 446.205, 446.206, 446.208, and 446.219), section 5 as amended by 1998 PA 233.

(Filed with the Secretary of State on June 21, 2002, at 5:19 p.m.)

Date: June 21, 2002

Time: 4:00 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 1201 (Public Act No. 470), being**

An act relative to the reporting of the issuance of certain debt and securities; and to prescribe powers and duties of certain departments, agencies, officials, and employees.

(Filed with the Secretary of State on June 21, 2002, at 5:21 p.m.)

Date: June 21, 2002

Time: 4:02 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 1230 (Public Act No. 471), being**

An act to amend 1972 PA 239, entitled "An act to establish and operate a state lottery and to allow state participation in certain lottery-related joint enterprises with other sovereignties; to create a bureau of state lottery and to prescribe its powers and duties; to prescribe certain powers and duties of other state departments and agencies; to license and regulate certain sales agents; to create the state lottery fund; to provide for the distribution of lottery revenues and earnings for certain purposes; to provide for an appropriation; and to provide for remedies and penalties," by amending section 12 (MCL 432.12), as amended by 1998 PA 393.

(Filed with the Secretary of State on June 21, 2002, at 5:23 p.m.)

Date: June 21, 2002

Time: 4:04 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 927 (Public Act No. 472), being**

An act to amend 1965 PA 213, entitled "An act to provide for setting aside the conviction in certain criminal cases; to provide for the effect of such action; to provide for the retention of certain nonpublic records and their use; to prescribe the powers and duties of certain public agencies and officers; and to prescribe penalties," by amending section 1 (MCL 780.621), as amended by 1996 PA 573.

(Filed with the Secretary of State on June 21, 2002, at 5:25 p.m.)

Date: June 21, 2002  
Time: 4:14 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 425 (Public Act No. 473), being**

An act to amend 1968 PA 330, entitled “An act to license and regulate private security guards, private security police, private security guard agencies and security alarm systems servicing, installing, operating, and monitoring; to provide penalties for violations; to protect the general public against unauthorized, unlicensed and unethical operations by individuals engaged in private security activity or security alarm systems sales, installations, service, maintenance, and operations; to establish minimum qualifications for individuals as well as private agencies engaged in the security business and security alarm systems and operations; and to prescribe the powers and duties of the department of state police,” by amending the title and sections 2, 3, 6, 7, 9, 10, 13, 14, 17, 18, 19, 24, 25, 29, and 31 (MCL 338.1052, 338.1053, 338.1056, 338.1057, 338.1059, 338.1060, 338.1063, 338.1064, 338.1067, 338.1068, 338.1069, 338.1074, 338.1075, 338.1079, and 338.1081), the title and sections 2, 3, 6, 7, 9, 10, 14, 17, 18, 19, 25, 29, and 31 as amended by 2000 PA 411.

(Filed with the Secretary of State on June 21, 2002, at 5:27 p.m.)

Date: June 21, 2002  
Time: 4:16 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 929 (Public Act No. 474), being**

An act to amend 1965 PA 285, entitled “An act to license and regulate private detectives and investigators; to provide penalties for violations; to protect the general public against unauthorized, unlicensed and unethical operations by private detectives and private investigators; and to repeal certain acts and parts of acts,” by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, and 31 (MCL 338.821, 338.822, 338.823, 338.824, 338.825, 338.826, 338.827, 338.829, 338.830, 338.831, 338.832, 338.833, 338.834, 338.836, 338.837, 338.838, 338.840, 338.841, 338.842, 338.843, 338.844, 338.845, 338.846, 338.847, 338.848, and 338.851).

(Filed with the Secretary of State on June 21, 2002, at 5:29 p.m.)

Date: June 21, 2002  
Time: 4:18 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 992 (Public Act No. 475), being**

An act to amend 1927 PA 175, entitled “An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act,” by amending section 13p of chapter XVII (MCL 777.13p), as added by 2002 PA 30.

(Filed with the Secretary of State on June 21, 2002, at 5:31 p.m.)

Respectfully,  
John Engler  
Governor



The following message from the Governor was received on June 20, 2002, and read:

EXECUTIVE ORDER  
No. 2002 - 11

**Office of Regulatory Reform  
New Office of Regulatory Reform  
Executive Office of the Governor  
Department of Management and Budget**

**Executive Reorganization**

Whereas, Article V, Section 2, of the Constitution of the state of Michigan of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

Whereas, the Office of Regulatory Reform was created in the Executive Office of the Governor by Executive Order 1995-6, being Section 10.151 of the Michigan Compiled Laws, to review proposed rules, coordinate the processing of rules by state agencies, and work with agencies to streamline the rulemaking process and to improve public access; and

Whereas, Section 34 of Act No. 262 of the Public Acts of 1999, being Section 24.234 of the Michigan Compiled Laws, codified the authority of the Office of Regulatory Reform as a Type I agency within the Department of Management and Budget, the principal department created by Section 121 of Act No. 431 of the Public Acts of 1984, being Section 18.1121 of the Michigan Compiled Laws; and

Whereas, all of the authority, powers, duties, functions, grants and responsibilities of the Office of Regulatory Reform provided for in Act No. 306 of the Public Acts of 1969, as amended, being Section 24.201 et seq. of the Michigan Compiled Laws, and in Executive Order 1995-6, being Section 10.151 of the Michigan Compiled Laws, were transferred to the Executive Office of the Governor by Executive Order 2000-1, being Section 10.152 of the Michigan Compiled Laws; and

Whereas, the Office of Regulatory Reform has established procedures to review proposed rules, coordinate the processing of rules by state agencies and work with the agencies to streamline the rulemaking process and to improve public access; and

Whereas, it is organizationally sound and appropriate to continue to concentrate the review and legal certification of rules and regulations in one office.

Now, Therefore, I, John Engler, Governor of the state of Michigan, pursuant to the powers vested in me by the Constitution of the state of Michigan of 1963 and the laws of the state of Michigan do hereby order the following:

**I. TRANSFER**

All the authority, powers, duties, functions, grants and responsibilities of the Office of Regulatory Reform provided for in Act No. 306 of the Public Acts of 1969, as amended, being Section 24.201 et seq. of the Michigan Compiled Laws, and in Executive Order 1995-6, being Section 10.151 of the Michigan Compiled Laws, and in Executive Order 2000-1, being Section 10.152 of the Michigan Compiled Laws are hereby transferred by Type I transfer, as defined in Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws, to the Department of Management and Budget. The Office of Regulatory Reform shall exercise its prescribed statutory powers, duties and functions independently of the head of the department.

**II. MISCELLANEOUS**

A. The Director of the Office of Regulatory Reform shall provide executive direction and supervision for the implementation of all transfers of authority made under this Order.

B. The Director of the Office of Regulatory Reform shall administer the assigned functions transferred by this Order in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

C. The Director of the Department of Management and Budget shall immediately initiate coordination with the Executive Office of the Governor to facilitate the transfers and develop memoranda of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved related to the authority to be transferred.

D. All records, personnel, property, grants and unexpended balances of appropriations, allocations and other funds used, held, employed, available or to be made available to the Office of Regulatory Reform located within the Executive Office of the Governor for the activities, powers, duties, functions and responsibilities transferred to the Office of Regulatory Reform located within the Department of Management and Budget are hereby transferred to the Office of Regulatory Reform located within the Department of Management and Budget.

E. The Director of the Office of Regulatory Reform may, by written instrument, delegate a duty or power conferred by this Order, and the person to whom such duty or power is so delegated may perform such duty or exercise such

power at the time and to the extent that such duty or power is delegated by the Director of the Office of Regulatory Reform.

F. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system for the remainder of the fiscal year.

G. All rules, orders, contracts, grants and agreements relating to the functions transferred to the Office of Regulatory Reform located within the Department of Management and Budget by this Order lawfully adopted prior to the effective date of this Order by the responsible state agency shall continue to be effective until revised, amended or rescinded.

H. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by this Order shall not abate by reason of the taking effect of this Order.

I. The invalidity of any portion of this Order shall not affect the validity of the remainder thereof.

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the state of Michigan of 1963, the provisions of this Executive Order shall become effective September 1, 2002.

[SEAL]

Given under my hand and the Great Seal of the state of Michigan this 20th day of June, in the Year of our Lord, Two Thousand Two.

John Engler  
Governor

By the Governor:  
Candice S. Miller  
Secretary of State

The Executive Order was referred to the Committee on Government Operations.

The following messages from the Governor were received and read:

June 19, 2002

There are herewith presented for consideration and confirmation by the Senate, the following reappointments to office:

**State Child Abuse and Neglect Prevention Board**

Dr. Teressa V. Staten, 500 South Verlinden, Lansing, Michigan 48915, county of Ingham, as a member representing educators, succeeding herself, for a term beginning on December 20, 2002 and expiring on December 19, 2005.

Mr. Robert R. Tisch, 2900 E. Delhi, Ann Arbor, Michigan 48103, county of Washtenaw, as a member representing parents, succeeding himself, for a term beginning on December 20, 2002 and expiring on December 19, 2005.

June 19, 2002

There are herewith presented for consideration and confirmation by the Senate, the following appointments and reappointments to office:

**Michigan Deer and Elk Marketing Program**

Mr. D. Patrick Bollman, 10085 Buchanan, Stanwood, Michigan 49346, county of Mecosta, as a member representing whitetail operations, for a term expiring on December 1, 2002.

Mr. D. Patrick Bollman, 10085 Buchanan, Stanwood, Michigan 49346, county of Mecosta, as a member representing whitetail operations, succeeding himself, for a term beginning on December 2, 2002 and expiring on December 1, 2005.

Mr. Steven A. Basl, P.O. Box 369, Mio, Michigan 48647, county of Oscoda, as a member representing retail marketing and processing operations, for a term expiring on December 1, 2002.

Mr. Steven A. Basl, P.O. Box 369, Mio, Michigan 48647, county of Oscoda, as a member representing retail marketing and processing operations, succeeding himself, for a term beginning on December 2, 2002 and expiring on December 1, 2005.

Mr. William J. Barry, 751 Martin Road, Woodland, Michigan 48897, county of Barry, as a member representing elk operations, for a term expiring on December 1, 2002.

Mr. William J. Barry, 751 Martin Road, Woodland, Michigan 48897, county of Barry, as a member representing elk operations, succeeding himself, for a term beginning on December 2, 2002 and expiring on December 1, 2005.

Mr. Joseph J. Iowski, 30474 32 Mile Road, Lenox, Michigan 48050, county of Macomb, as a member representing retail marketing and processing operations, for a term expiring on December 1, 2004.

Mr. Scott V. Hall, 7811 Smiths Creek Road, Wales, Michigan 48027, county of St. Clair, as a member representing other cervid operations, for a term expiring on December 1, 2003.

Mr. Arland P. Draper, 2849 Saginaw Road, Mayville, Michigan 48744, county of Tuscola, as a member representing whitetail operations, for a term expiring on December 1, 2003.

Mr. Kenneth A. Keeley, 16540 S. Scenic Drive, Barbeau, Michigan 49710, county of Chippewa, as a member representing whitetail operations, for a term expiring December 1, 2003.

Mr. David G. Pershill, 9962 Holden Road, Baroda, Michigan 49101, county of Berrien, as a member representing elk operations, for a term expiring on December 1, 2003.

Mr. Craig L. Stefanko, 4171 Atlas Road, Davison, Michigan 48423, county of Genesee, as a member representing elk operations, for a term expiring on December 1, 2004.

Ms. Marlene D. Weber, 8485 Shaw Road, Imlay City, Michigan 48444, county of Lapeer, as a member representing elk operations, for a term expiring on December 1, 2004.

Mr. James L. Bettis, 8557 35th Avenue, Remus, Michigan 49340, county of Mecosta, as a member representing whitetail operations, for a term expiring on December 1, 2004.

June 19, 2002

There are herewith presented for consideration and confirmation by the Senate, the following appointments and reappointment to office:

**Board of Real Estate Appraisers**

Mr. John E. Miller, 31237 Mackenzie, Westland, Michigan 48185, county of Wayne, as a member representing professionals, succeeding himself, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Mr. Terrell R. Oetzel, 1800 Dennison, East Lansing, Michigan 48823, county of Ingham, as a member representing professionals, succeeding Mr. E. Roger Everett of Rochester, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Mr. Robert W. Schellenberg, Jr., 575 Wallinwood Lane, Jenison, Michigan 49428, county of Ottawa, as a member representing the general public, succeeding Mr. John Gernaat of McBain, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

June 24, 2002

There are herewith presented for consideration and confirmation by the Senate, the following reappointments to office:

**Michigan Cranberry Marketing Committee**

Mr. Loren G. House, 30957 W. Wildcat, Paradise, Michigan 49768, county of Chippewa, as a member representing growers at large, succeeding himself, for a term beginning on October 11, 2002 and expiring on October 10, 2005.

Mr. Michael DeGrandchamp, 15599 77th Street, South Haven, Michigan 49090, county of Van Buren, as a member representing growers at large, succeeding himself, for a term beginning on October 11, 2002 and expiring on October 10, 2005.

June 24, 2002

There are herewith presented for consideration and confirmation by the Senate, the following appointment and reappointment to office:

**Michigan Merit Award Board**

Mr. Harold J. Voorhees, 5380 Kenowa SW, Wyoming, Michigan 49418, county of Kent, as a member representing the general public, succeeding himself, for a term expiring on September 30, 2005.

Pastor Marvin L. Winans, Marvin L. Winans Academy for Performing Arts, 7616 E. Nevada Street, Detroit, Michigan 48234, county of Wayne, as a member representing the general public, succeeding Dr. Isaiah McKinnon of Detroit, whose term has expired, for a term expiring on September 30, 2005.

June 24, 2002

There are herewith presented for consideration and confirmation by the Senate, the following reappointments to office:

**Occupational Health Standards Commission**

Mr. Robert D. DeBruyn, 101 East Washington, P.O. Box 76, Zeeland, Michigan 49464, county of Ottawa, as a member representing management, succeeding himself, for a term beginning on August 6, 2002 and expiring on August 5, 2005.

Mr. Richard D. Olson, 2108 East Wheeler Road, Midland, Michigan 48640, county of Midland, as a member representing management, succeeding himself, for a term beginning on August 6, 2002 and expiring on August 5, 2005.

Dr. Gerald Robert DeYoung, 4291 Orchard Creek Drive SE, Grand Rapids, Michigan 49546, county of Kent, as a member representing employees, succeeding himself, for a term beginning on August 6, 2002 and expiring on August 5, 2005.

Ms. Margaret Angela Vissman, 30101 Five Mile Road, Livonia, Michigan 48154, county of Wayne, as a member representing employees, succeeding herself, for a term beginning on August 6, 2002 and expiring on August 5, 2005.

June 26, 2002

There is herewith presented for consideration and confirmation by the Senate, the following appointment to office:  
**Self-Insurers' Security, Second Injury, Silicosis, and Logging Industry Board of Trustees**

Ms. Eleanor C. Powell, 1707 Whispering Pines, Lansing, Michigan 48917, county of Ingham, as a member representing insurers, succeeding Mr. Richard F. Zapala of Haslett, whose term has expired, for a term expiring on April 30, 2006.

June 26, 2002

There are herewith presented for consideration and confirmation by the Senate, the following appointments to office:  
**Michigan Board of Nursing**

Ms. Kathryn E. Lawter, 3934 LeValley, Columbiaville, Michigan 48421, county of Lapeer, as a member representing the general public, succeeding Ms. Joan C. Larson of Royal Oak, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Dr. Lourdes V. Andaya, 7 Cameron Place, Grosse Pointe, Michigan 48203, county of Wayne, as a member representing the general public, succeeding Mrs. Judith A. DePodesta of Rockford, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Mrs. Myrah L. Kirkwood, 1799 Meadowlands Court, Oxford, Michigan 48371, county of Oakland, as a member representing the general public, succeeding Dr. Louis J. Prues of Grosse Pointe, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Mr. Bruce H. Andersen, Sr., 1584 Reynolds Road, Interlochen, Michigan 49643, county of Benzie, as a member representing the general public, succeeding Mrs. Jane S. Welborn of Kalamazoo, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Mr. Wayne R. Nargang, 1249 Astwood Mews Lane, St. Johns, Michigan 48879, county of Clinton, as a member representing the general public, succeeding Mrs. Margaret Anne Hedlund of Lansing, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Ms. Michelle Woods, 3611 Hart Road, Jackson, Michigan 49201, county of Jackson, as a member representing the general public, succeeding Mrs. Geraldine Ann Vollmer of Plymouth, whose term will expire on June 30, 2002, for a term beginning on July 1, 2002 and expiring on June 30, 2006.

Sincerely,  
 John Engler  
 Governor

The appointments were referred to the Committee on Government Operations.

### Messages from the House

The House of Representatives requested the return of  
**Senate Bill No. 1099, entitled**

A bill to make appropriations for certain capital outlay programs and state departments and agencies for the fiscal year ending September 30, 2003; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for the development of public recreation facilities; to provide for certain advances from the general fund; to prescribe powers and duties of certain state officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; and to provide for the expenditure of appropriations.

Pursuant to a previous order, the request of the House was granted on June 19, 2002.

**Senate Bill No. 1099, entitled**

A bill to make appropriations for certain capital outlay programs and state departments and agencies for the fiscal year ending September 30, 2003; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for the development of public recreation facilities; to provide for certain advances from the

general fund; to prescribe powers and duties of certain state officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; and to provide for the expenditure of appropriations.

The House of Representatives has given the bill immediate effect.

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senator Emmons moved that rule 3.202 be suspended to permit immediate consideration of the following bill:

**Senate Bill No. 1102**

The motion prevailed, a majority of the members serving voting therefor.

**Senate Bill No. 1102, entitled**

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

The House of Representatives has amended the Senate amendments as follows:

1. Amend Senate Amendment No. 23, page 21, following line 9, section 262, following subsection (2), by inserting:

“(3) If the appropriations in subsection (1) become effective pursuant to subsection (2), the department, from the funds appropriated in part 1, shall offer an alanine aminotransferase (ALT) test to each prisoner who has received positive parole action. An explanation of results of the test shall be provided confidentially to the prisoner prior to release on parole and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention in the community. The test shall be voluntary; if the prisoner refuses to be tested, that decision shall not affect parole release, conditions of parole, or parole supervision.” .

The House of Representatives has concurred in the Senate amendments as amended.

The question being on concurring in the House amendment made to the Senate amendments,

The amendment was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 782**

**Yeas—21**

Bennett	Goschka	McManus	Shugars
Bullard	Gougeon	North	Sikkema
DeGrow	Hammerstrom	Sanborn	Steil
Dunaskiss	Johnson	Schuette	Stille
Emmons	McCotter	Schwarz	Van Regenmorter
Gast			

**Nays—13**

Cherry	Hart	Miller	Scott
DeBeaussaert	Koivisto	Murphy	Smith
Dingell	Leland	Peters	Young
Emerson			

**Excused—3**

Garcia	Hoffman	Vaughn
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**Not Voting—1**

Byrum

In The Chair: Schwarz

Senator Emmons moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.  
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senator Schwarz asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Schwarz's statement is as follows:

I would like to direct my colleagues' and staff's attention to the north Gallery, and if Officer Mike Scott and Officer Howard Sanderland would stand. Officer Mike Scott is retiring with 28 years of service with the Michigan State Police as a Capitol security officer and two other years of state service, for a total of 30 years. Officer Scott, would you wave please.

And Officer Howard Sanderland is retiring after 26 years with the Michigan State Police as a Capitol security officer with six years of other service, for a total number of years of state service of 32 years.

I would like to thank you on behalf of the Michigan Senate, on behalf of Senator DeGrow and Senator Cherry, on behalf of all the employees of the Michigan Senate, and indeed, on behalf of all of us who work in this beautiful Capitol Building for your many, many years of dedicated service. Godspeed to both of you.

### Conference Reports

Senator Emmons moved that consideration of the following joint resolution be postponed for today:

#### **Senate Joint Resolution D**

The motion prevailed.

Senator Emmons moved that joint rule 9 be suspended to permit immediate consideration of the conference reports relative to the following bills:

**House Bill No. 5642**

**House Bill No. 5643**

**House Bill No. 5648**

**House Bill No. 5649**

The motion prevailed, a majority of the members serving voting therefor.

#### **House Bill No. 5642, entitled**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The House of Representatives has adopted the report of the second Committee of Conference and ordered that the bill be given immediate effect.

The second Conference Report was read as follows:

### SECOND CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

#### **House Bill No. 5642, entitled**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

First: That the House and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require

reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF AGRICULTURE**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	629.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 96,470,700</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		10,953,800
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 85,516,900</b>
Total federal revenues .....		6,639,500
Total local revenues .....		0
Total private revenues .....		1,127,600
Total other state restricted revenues .....		39,342,400
State general fund/general purpose .....		<b>\$ 38,407,400</b>

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	57.0	
Commission and boards .....		\$ 63,300
Unclassified positions—6.0 FTE positions.....		488,200
Executive direction—4.0 FTE positions .....		525,700
Management services—48.0 FTE positions.....		3,697,200
Statistical reporting service—5.0 FTE positions .....		435,100
<b>GROSS APPROPRIATION .....</b>		<b>\$ 5,209,500</b>

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDCIS (LCC), nonretail liquor license fees .....		8,800
Special revenue funds:		
Gasoline inspection and testing fund .....		47,800
Licensing and inspection fees .....		62,100
Michigan state fair revenue.....		80,500
State services fee fund .....		160,500
Upper Peninsula state fair revenue.....		9,000
State general fund/general purpose .....		<b>\$ 4,840,800</b>

**Sec. 103. DEPARTMENTWIDE**

Rent and building occupancy charges .....		\$ 1,856,200
<b>GROSS APPROPRIATION .....</b>		<b>\$ 1,856,200</b>

Appropriated from:

Special revenue funds:		
State services fee fund .....		304,600
State general fund/general purpose .....		<b>\$ 1,551,600</b>

**Sec. 104. FOOD AND DAIRY**

Full-time equated classified positions .....	116.0	
Food safety and quality assurance—116.0 FTE positions .....		\$ 10,242,700
Local public health operations .....		8,977,500
<b>GROSS APPROPRIATION .....</b>		<b>\$ 19,220,200</b>

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDCH, local public health operations.....		8,977,500
Federal revenues:		
HHS-FDA .....		186,700
DAG-Multiple grants .....		22,700

	For Fiscal Year Ending Sept. 30, 2003
Special revenue funds:	
Civil penalties .....	\$ 40,300
Licensing and inspection fees .....	2,555,400
State general fund/general purpose .....	\$ 7,437,600
<b>Sec. 105. ANIMAL INDUSTRY</b>	
Full-time equated classified positions .....	54.0
Animal health and welfare—25.5 FTE positions .....	\$ 2,265,400
Bovine tuberculosis program—28.5 FTE positions .....	3,469,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 5,734,400</u>
Appropriated from:	
Federal revenues:	
HHS-FDA .....	9,000
Special revenue funds:	
Licensing and inspection fees .....	176,500
Pseudorabies and swine brucellosis fund .....	20,000
State general fund/general purpose .....	\$ 5,528,900
<b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>	
Full-time equated classified positions .....	132.3
Pesticide and plant pest management—132.3 FTE positions .....	\$ 12,924,100
Michigan State University .....	210,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 13,134,100</u>
Appropriated from:	
Federal revenues:	
DAG, multiple grants .....	1,952,200
EPA, multiple grants .....	1,510,000
HHS-FDA .....	60,000
Special revenue funds:	
Private - slow-the-spread foundation .....	130,000
Commodity inspection fees .....	991,500
Licensing and inspection fees .....	2,413,000
State general fund/general purpose .....	\$ 6,077,400
<b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>	
Full-time equated classified positions .....	55.0
Environmental stewardship—38.0 FTE positions .....	\$ 3,281,000
Groundwater and freshwater protection program—10.0 FTE positions .....	5,174,000
Farmland and open space preservation—7.0 FTE positions .....	699,800
Agriculture pollution prevention program .....	100
Cooperative resources management initiative program .....	1,000,000
Energy conservation program .....	138,000
Local conservation districts .....	1,465,800
Migrant labor housing .....	550,000
Open space development rights easements payments .....	50,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 12,358,700</u>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDEQ, biosolids .....	80,000
IDG from MDEQ, type II well survey .....	15,000
IDG from MDNR, district forestry and wildlife program .....	1,000,000
IDG from MDEQ, right to farm .....	105,000
Federal revenues:	
DAG-NRCS .....	250,000
EPA, multiple grants .....	400,000
Special revenue funds:	
Private - oil company overcharge settlement .....	193,900
Agricultural preservation fund .....	699,800
Environmental protection fund .....	50,000



	For Fiscal Year Ending Sept. 30, 2003
Agriculture pollution prevention fund .....	\$ 100
Groundwater and freshwater protection fund .....	4,674,000
Industry support funds .....	40,000
State general fund/general purpose .....	\$ 4,850,900
<b>Sec. 108. LABORATORY PROGRAM</b>	
Full-time equated classified positions .....	135.0
Laboratory analysis program—73.5 FTE positions .....	\$ 6,321,500
USDA monitoring—19.0 FTE positions .....	1,824,000
Consumer protection program—42.5 FTE positions .....	3,232,500
GROSS APPROPRIATION .....	\$ 11,378,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS (LCC), liquor quality testing fees .....	161,500
Federal revenues:	
EPA, multiple grants .....	300,000
DAG, multiple grants .....	1,844,400
Special revenue funds:	
Private - oil company overcharge settlement .....	803,700
Agriculture equine industry development fund .....	509,100
Gasoline inspection and testing fund .....	1,491,800
Testing fees .....	232,500
Weights and measures regulation fees .....	323,400
State general fund/general purpose .....	\$ 5,711,600
<b>Sec. 109. MARKET DEVELOPMENT</b>	
Full-time equated classified positions .....	21.5
Marketing and emergency management—15.5 FTE positions .....	\$ 2,005,600
Agriculture development—6.0 FTE positions .....	742,400
Export market development program .....	100,000
Food bank .....	487,400
Southwestern Michigan tourist council - taste of Michigan .....	60,400
Future farmers of America .....	60,000
GROSS APPROPRIATION .....	\$ 3,455,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS (LCC), nonretail liquor license fees .....	603,000
Federal revenues:	
DAG, multiple grants .....	100,000
Special revenue funds:	
Industry support funds .....	260,000
State general fund/general purpose .....	\$ 2,492,800
<b>Sec. 110. FAIRS AND EXPOSITIONS</b>	
Full-time equated classified positions .....	22.0
Michigan state fair operations—9.0 FTE positions .....	\$ 5,110,200
Upper Peninsula state fair—8.0 FTE positions .....	1,214,400
Fairs and racing—5.0 FTE positions .....	612,500
Building and track improvement - county and state fairs .....	963,200
Premiums-county and state fairs .....	1,614,000
Purses and supplements - fairs/licensed tracks .....	2,969,000
Standardbred fedele fauri futurity .....	98,400
Standardbred Michigan futurity .....	98,400
Quarterhorse programs .....	48,300
Quarterhorse programs breeders awards .....	5,000
Licensed tracks-light horse racing .....	93,500
Standardbred breeders' awards .....	1,503,200
Standardbred purses and supplements-licensed tracks .....	336,700
Standardbred sire stakes .....	1,259,400

	For Fiscal Year Ending Sept. 30, 2003
Thoroughbred sire stakes .....	\$ 1,259,400
Standardbred training and stabling.....	53,200
Thoroughbred program .....	2,203,900
Thoroughbred owners' awards.....	189,600
Distribution of outstanding winning tickets .....	500,000
Fairs and festivals promotion .....	60,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 20,192,300</b>
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	10,618,000
Michigan state fair revenue.....	5,203,100
State services fee fund .....	3,156,800
Upper Peninsula state fair revenue.....	1,214,400
State general fund/general purpose .....	\$ 0
<b>Sec. 111. OFFICE OF RACING COMMISSIONER</b>	
Full-time equated classified positions .....	36.7
Office of racing commissioner—36.7 FTE positions.....	\$ 3,747,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 3,747,700</b>
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	1,147,700
State services fee fund .....	2,600,000
State general fund/general purpose .....	\$ 0
<b>Sec. 112. INFORMATION AND TECHNOLOGY</b>	
Information technology services and projects .....	\$ 1,907,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,907,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS (LCC), nonretail liquor license fees .....	500
IDG from MDCIS (LCC), liquor quality testing fees.....	2,500
Federal revenues:	
DAG-multiple grants.....	4,500
Special revenue funds:	
Groundwater and freshwater protection fund .....	100
Agriculture equine industry development fund.....	142,200
Agricultural preservation fund .....	200
State services fee fund .....	2,100
Upper Peninsula state fair revenue.....	900
Michigan state fair revenue.....	88,800
Gasoline inspection and testing fund .....	26,200
State general fund/general purpose .....	\$ 1,639,300
<b>Sec. 113. EARLY RETIREMENT AND BUDGETARY SAVINGS</b>	
Early retirement savings .....	\$ (1,315,500)
Budgetary savings.....	(408,000)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (1,723,500)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (1,723,500)

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$77,749,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$3,315,800.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

## DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program .....	\$ 1,800,000
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Local conservation districts .....	1,465,800
Open space development rights easements payments .....	\$ 50,000
TOTAL.....	\$ 3,315,800

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG-NRCS" means the United States department of agriculture - natural resources conservation service.
- (c) "Department" means the department of agriculture.
- (d) "Director" means the director of the department.
- (e) "EPA" means the United States environmental protection agency.
- (f) "FTE" means full-time equated.
- (g) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (h) "IDG" means interdepartmental grant.
- (i) "MDCH" means the Michigan department of community health.
- (j) "MDCIS (LCC)" means the Michigan department of consumer and industry services - liquor control commission.
- (k) "MDEQ" means the Michigan department of environmental quality.
- (l) "MDNR" means the Michigan department of natural resources.

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

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

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

(3) The hiring freeze does not apply to the animal industry program.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$6,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 208. Unless otherwise specified, the department shall use the internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an internet or intranet site. Quarterly, the department shall provide to the appropriations subcommittees members, the fiscal agencies, and the state budget office an electronic and paper copy listing of the reports submitted during the most recent 3-month period along with the internet or intranet site of each report, if any.

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

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. (1) The unexpended and unobligated balance of any state restricted fund or account remaining at the end of the fiscal year shall revert back to the state restricted fund or account from which appropriated and be available for appropriation for the next fiscal year. Appropriations that revert to a state restricted fund or account pursuant to this section shall not revert to the general fund of this state.

(2) A state restricted revenue fund or account that receives revenues in excess of expenditures made from that state restricted revenue fund or account shall not have the excess revenue revert to the general fund of this state.

(3) The revenues collected in the agriculture equine industry development fund in fiscal year 2001-2002 shall not lapse but shall be carried forward to fund appropriations made pursuant to this act and subsequent acts.

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2003. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

(2) The department of agriculture shall make an indemnification payment for the fair market value of livestock that is killed by a wolf or coyote, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.747. In addition to the funds appropriated in part 1, the department of agriculture is authorized to expend the funds received from the department of natural resources to reimburse the department of agriculture for all indemnification payments made pursuant to this subsection.

(3) All indemnification payments for individual livestock or domestic animals within a herd, flock, or school shall be made pursuant to section 14 of the animal industry act, 1988 PA 466, MCL 287.714, based on 100% of the fair market value of that type of livestock or domestic animal, not to exceed \$4,000.00.

(4) For those payments made from January 1, 1998, through October 31, 2000, the department shall calculate the difference between what was paid for every herd, flock, or school and the rate paid subsequent to October 31, 2000.

(5) The department shall use bovine TB work project revenue to implement this section.

Sec. 213. When the department applies to the department of management and budget with a request for a transfer of appropriations or for a supplemental appropriation, the department shall provide the senate and house fiscal agencies with the same information that the department provides the department of management and budget relative to the request for transfer or supplemental.

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

Sec. 215. The legislature will not fund nonfair or nonhorse racing grants or projects from revenues from simulcasting in fiscal year 2002-2003.

Sec. 216. The unexpended and unencumbered balance of revenue deposited pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320, for the fiscal year ending September 30, 2003, shall be appropriated to the Michigan agriculture equine industry development fund for distribution as set forth in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

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

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

Sec. 224. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2000 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the director and approved by the state budget director.

(3) Appropriation authorization adjustments required to implement the negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 225. (1) Subject to subsection (2), in addition to the amounts appropriated in part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

- (a) \$488,600.00 is appropriated to local conservation districts from the state general fund.
- (b) \$158,200.00 is appropriated to the food bank council of Michigan from the state general fund.
- (c) \$23,300.00 is appropriated to horse shows from the state general fund.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

**EXECUTIVE**

Sec. 301. The appropriations in section 102 may be used for per diem payments to members of boards, committees, and commissions for a full day’s board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

- (a) Commission of agriculture ..... \$ 75.00 per day
- (b) Upper Peninsula state fair board ..... 50.00 per day
- (c) Agricultural marketing and bargaining board..... 35.00 per day
- (d) Michigan state fair council..... 50.00 per day
- (e) Grape and wine industry council ..... 50.00 per day

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

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

Sec. 303. Of the funds appropriated in part 1 for statistical reporting service, \$90,000.00 shall be used for surveys which include, but are not limited to, fruit, vegetables, and nursery stock, which encompasses Christmas trees and ornamental plants. The director of the Michigan department of agriculture is given authority to include other agricultural surveys such as turfgrass in the 3- to 5-year rotation. The survey shall include information such as existing plantings/acreage, new plantings/acreage, production, and number of growers.

**FOOD AND DAIRY**

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements. On or before April 1, 2003, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

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

Sec. 402. Not later than April 1, 2003, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing significant food-borne outbreaks and emergencies including any enforcement actions taken related to food safety during the 2001-2002 fiscal year.

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

**ANIMAL INDUSTRY**

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

Sec. 451. From the funds appropriated in section 101 for bovine tuberculosis, the department shall pay for all whole herd testing costs to achieve and maintain split-state status requirements. These costs include producer assistance, indemnity, and compensation for injury causing death or downer to animals.

**PESTICIDE AND PLANT PEST MANAGEMENT**

Sec. 501. Of the funds appropriated in section 106 to the pesticide and plant pest management division, up to \$100,000.00 may be made available to the Michigan cooperative extension service for the purpose of training of applicators. Reimbursement shall be based on actual expenditures and revenue availability.

Sec. 503. The department is authorized to enter into a cooperative agreement with a nonprofit foundation or agency associated with the gypsy moth slow-the-spread program in order to receive funds for managing plant pests.

**ENVIRONMENTAL STEWARDSHIP**

Sec. 601. The funds appropriated in section 107 for the energy conservation program shall be distributed on a competitive basis that will be based on statewide energy conservation criteria.

Sec. 602. The department may expend the amount appropriated for migrant labor housing grants for construction of new migrant labor housing. Beginning October 1, 2002, project grants shall not exceed \$5,000.00 per unit. Beginning October 1, 2002, an applicant is not eligible for more than a \$20,000.00 grant in any fiscal year.

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

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

(a) Of the total appropriation, \$130,000.00 shall be allocated for local conservation district training.

(b) Of the total appropriation, each local conservation district meeting the minimum grant requirements shall receive a grant of \$20,000.00 to support basic operations, unless the district resides in a county consisting of multiple districts, in which case a \$20,000.00 grant shall be divided equally among the districts in that county. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any money received from local sources.

(c) Of the remaining appropriation after distributions under subdivisions (a) and (b), additional grants, not to exceed \$20,000.00 per local conservation district, may be provided based on a formula approved by the commission of agriculture. Grants under this subdivision shall require at least a 100% cash or in-kind local match. Criteria used to distribute grants under this subdivision shall include, but are not limited to, the natural resources need, the size, and the population of the area served by each local conservation district.

Sec. 605. The appropriation in part 1 for open space development rights easement payments shall be used by the department only to reimburse local units of government for lost revenues associated with open space development rights easements under section 36105(2)(e) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36105.

**MARKET DEVELOPMENT**

Sec. 701. Within the appropriations in part 1 for market development, \$603,000.00 is for the grape and wine industry council, from which the department may provide grants for the purposes as described in section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303.

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

Sec. 704. Indirect costs may not be charged against the future farmers of America grant in section 109 by any administering agency.

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

Sec. 707. The department is authorized to receive and expend up to \$5,000,000.00 of utility company uncollectible allowance recovery fund resources which may be deposited into the agricultural development fund for the support of grants for value-added agricultural processing and agricultural production ventures in accordance with the Julian-Stille value-added act, 2000 PA 322, MCL 285.301 to 285.304. The agriculture development fund resources when certified as available by the department of treasury shall remain unallotted until such time as the state budget director has reviewed and approved a department submitted allotment schedule. Expenditures for support of agricultural processing and production ventures shall not exceed revenues received. Unexpended resources remaining in the fund at the end of the fiscal year shall remain in the fund and not lapse to the general fund.

**FAIRS AND EXPOSITIONS**

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

Sec. 802. (1) The appropriation of \$297,100.00 in part 1 for standardbred purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

(2) The appropriation in part 1 for licensed tracks - light horse racing shall be allocated as follows:

Arabian and Appaloosa horse racing .....	\$ 23,400
Quarter horse racing .....	70,100

Sec. 803. Included in the appropriation made in part 1 for the thoroughbred program is \$30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 804. From the funds appropriated in section 110 for thoroughbred owners' awards, the department shall develop a program to provide for thoroughbred owners' awards that will be given to owners of Michigan-bred horses finishing first in nonrestricted races at licensed pari-mutuel tracks in Michigan.

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

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

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

Sec. 808. Of the amount appropriated in section 110 for premiums, \$11,400.00 shall be expended as a grant for the Michigan horse show association - fall youth show.

Sec. 809. From the appropriations for premiums - county and state fairs in section 110, \$120,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or expositions to promote youth involvement and adult exhibitions in the animal agriculture industry. Appropriate exhibition classes for youth shall be developed that encourage a production exhibit for which premium awards may be paid. The age for youth exhibitors shall be determined by the standards of the association requesting the grant or, if standards do not exist, the age for youth exhibitors shall be ages 9 through 21. Implementation of the latest technologies into the evaluation of the animals shall be encouraged in the production exhibit. Adult exhibitions should focus on the performance or end product, or both, with the appropriate technologies used to enhance placings and the awarding of premiums.

Sec. 811. The funds appropriated in section 110 for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252, and only after they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 812. An individual or other entity that leases land, a building, or other property under the Michigan exposition and fairgrounds act, 1978 PA 361, MCL 285.161 to 285.176, is not eligible for a state grant, loan, appropriation, or other state subsidy related to the leased land, building, or other property.

Sec. 813. (1) On or before January 29, 2003, the department, together with the senate and house fiscal agencies and the department of management and budget, shall estimate the unreserved and unencumbered closing balance of the agriculture equine industry development fund for the fiscal year ending September 30, 2002. The estimate shall consider lapsed appropriations from the fund and any carryforward amounts designated for appropriation in the fiscal year ending September 30, 2003.

(2) On or before February 5, 2003, the department shall request a legislative transfer in accordance with section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unreserved and unencumbered agriculture equine industry development fund balance in excess of \$250,000.00. The appropriations included in the transfer request shall be in accordance with the requirements of section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. At the same time the department forwards its transfer request to the department of

management and budget, the department shall submit copies of the transfer request to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies.

Sec. 815. From the appropriation in section 110 for building and track improvement - county and state fairs, \$49,000.00 shall be awarded to licensed race meet operators for promotions, capital improvements, or operations at race meets which are conducted on facilities leased from county fairs. On or before December 31, 2002, the department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies on the distribution of these funds.

Sec. 816. The appropriation in section 110 for fairs and festivals promotion shall be used by the department to provide grants to the industry for statewide volunteer staff education and promotion of commodities.

**OFFICE OF RACING COMMISSIONER**

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

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

Mike Pumford  
Jerry Vander Roest  
Conferees for the House

George A. McManus, Jr.  
Philip E. Hoffman  
Conferees for the Senate

The question being on the adoption of the conference report,

The second conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 783**

**Yeas—20**

Bennett	Goschka	McManus	Shugars
Bullard	Gougeon	North	Sikkema
DeGrow	Hammerstrom	Sanborn	Steil
Dunaskiss	Johnson	Schuette	Stille
Emmons	McCotter	Schwarz	Van Regenmorter

**Nays—15**

Byrum	Emerson	Leland	Scott
Cherry	Gast	Miller	Smith
DeBeaussaert	Hart	Murphy	Young
Dingell	Koivisto	Peters	

**Excused—3**

Garcia	Hoffman	Vaughn
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**Not Voting—0**



### Protests

Senators Gast, Byrum and Miller, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the second conference report for House Bill No. 5642.

Senator Gast's statement is as follows

I voted "no" on this conference report for a variety of reasons. I'll be brief but to the point. I offered an amendment in this Ag budget that simply said, and I'll back up a little bit and say that while it is correct, Senator McManus said no new dollars were offered which we weren't permitted in conference. I understand that, but there was boilerplate added to this bill, and that was that these cuts would be omitted if there was a cigarette tax imposed, and some of these cuts then would be ameliorated. Well, I offered an amendment in conference committee which said rather than the 30-cents increase in cigarette taxes, it would be a 15-cents increase with a one-year interruption in the SBT—and I emphasize a one-year interruption. That was a trade-off dollarwise. Either policy would have raised the same amount of revenue, and it was an option, if you will, a 30 cents cigarette tax or a 15 cents cigarette tax plus a one-year suspension enacted by the Legislature. Now, that would be a renewable exception in the SBT, true, but it would be up to the next Legislature and the next Governor to propose and do what they wanted to with it.

I thought that was a fair and reasonable amendment. If there were two votes—if the Senate voted for it and the one Democrat in the House voted for that amendment—and I've just got to identify the personnel here Chairman Pumford of the House said, "Harry, I agree with you, but I've got to get permission from my leader whether I can vote for it or not." So there was a brief recess and we came back and he couldn't vote for it.

So my point in question here is if we're conferees in a conference committee, we should use our own best judgment, stay within the dollar confines, true, but I think that we should have at least our own best sense judgment without going to our leaders for permission and just to say "How high do I jump? Yes, I'm supposed to, but how high?" It's not true in the Senate. I was told that my amendment would be acceptable if I would say 15 percent and any other revenue source available. Well, what does that mean? I should offer an amendment to tax my frozen grapes to get the extra revenue for it or something? I don't know that. But anyway, I just feel that this whole process has been flawed—and in all the years that I've been there and you serve on a conference committee and you're not allowed to think for yourself or express yourself without the permission of your leaders. That's a brand new experience for me, and I guess I resent it. That's probably why I'm not on those conference committees for the final judgment.

I'm pretty well ticked off, as you can tell, but I think I've got a right to be after 32 years to be bounced around like some infidel. It's pretty unnerving. I've had a lot of sleepless nights, and I still don't think my colleagues understand that we are \$1.1 billion in the hole for our current year's budget we're working on and the ensuing year. That's by the Senate Fiscal Agency's own account, and 18 percent revenue growth would have to be experienced to close that gap. Now, there's nobody in their right mind who can see our economy growing at 18 percent. I'm just saying we should use a little common sense in judgment in trying to put this thing together not because we're going to out of here in six months, the majority of us, but the state of Michigan will still be here and the people will be here, and I think we're here to serve them. So, Mr. Chairman, I'd like my "no" vote certainly to be put in the Journal, and I will be voting "no" on the rest of the conference reports and the budget bills.

Senator Byrum's statement is as follows:

I would like to acknowledge the "no" vote explanation of Senator Harry Gast. He is somebody whom I have a deep amount of respect for, and I think his comments should give everyone in state government pause to exactly what kind of a course we are headed down when it comes to our fiscal house and our development of our state budgets.

I voted "no" on the previous budget. I have a real concern for the implications from Michigan State University that \$11 million that was not part of the conference report. It represents significant funding cuts to the university in some critical areas that they are working on on behalf of the citizens of the state of Michigan.

Senator Miller's statement is as follows:

Mr. President, I, too, voted "no," and I want to commend my colleague and friend and chairman of the Appropriations Committee who's worked many, many years on many, many budgets, and probably more budgets than anyone will ever work on in the history of this chamber. But I, too, have some difficulty now when we have people—my constituents and the people across Michigan—questioning the credibility of a lot of restaurants and food handling. Consumers are concerned about the safety, about their health, and why we would cut over \$5 million out of the Department of Agriculture, the budget that the committee chairman, Senator McManus, talked about. People are concerned about when they go to a restaurant the safety, the quality. We're really, really putting that on thin ice.

I want to commend also, Mr. President, again like I mentioned, the chairman of the Appropriations Committee for having the backbone and the courage to stand up to his principles. I think principles are what's made this body a great body and what's made the citizens of this state a great state because we have principles that we act upon to put the citizens of Michigan first. I think that when we have leaders who stand up and put their principles first, they should be applauded, not thrown off a committee. I'm glad that I, myself, didn't follow his leader's request to say that I shouldn't

show up here today. I think that the Democrats and people of this body have contributed a lot to legislation and to appropriations, and I don't think any person has the right to say that members don't need to show up because they're not following in their footsteps or not following their drumbeat. I think that this building has stayed here for decades and centuries because people have ideas, and not all ideas fall in the majority of wishes and demands.

So I commend the leader of appropriations for taking his stand, and I think that the leader over there needs to wake up and find out that everybody contributes, whether you agree with their ideas or disagree, Mr. President.

Senator McManus asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator McManus's statement is as follows:

I'm going to urge that we concur with this conference report. But before I do that, I would like to comment on the report, and I'd like to have my comments put in the Journal not only for this body that's here today, but look forward to the future.

I want to start off by saying having a budget and getting it done is better than not having any budget at all, which is about where we come from on this particular budget. There are a lot of things good in here, but there are a lot of things that could have been better.

The good news is that out of restricted funds, we were able to come up with some money for the soil conservation districts' forestry program, and we were able to come up with money for the state to pay its property taxes on state-owned lands in not go in default. Those are positives and things that needed to get done.

The bad news, though, in this budget is that between the executive order cuts and this budget, this department's budget is cut 12 percent, which is sizeable. I think sometimes we get the misconception that the Ag Department is just there for farmers. The Ag Department is a very important consumers affairs department. It handles the food safety issues in this state. If you have a problem with food, all the way up the line, including the restaurants and the grocery stores, it's the Ag Department that's responsible to see to it that our food supply is safe. That's a consumer issue as much as it is a farm issue, and that department handles it.

That department also handles weights and measures. If you want to get a gallon of gas out of a gas station and not three quarts, it's the Department of Agriculture that handles that issue. Or if you want to get 16 ounces of hamburger when you buy it in the store in place of 14, it's the Ag Department that handles it. Those are consumer affairs. So cutting this department this much is cutting it to the bone, and even, I guess, into the bone. We need to look in the future at making sure that the Ag Department has sufficient funds for food safety, weights and measures, and all of the other things they do.

The other thing I'd like to put in the remarks is that in this budgeting process, once the geniuses have put together the budget, which really started last November or December and presented to us in February, then no new items were permitted in the budget beyond that point. That meant that the monies that we had in the Senate here and the House looked at for the extension service, cooperative extension service, which you have in each of your counties—the agricultural experiment station out at Michigan State University, and more importantly, the animal diagnostic laboratory that we spent \$58 million to build—we were not able to put any funding in this budget for those three items because they were items that were added after the crystal ball gazers put the budget together the first of the year. These are things that need to be highly considered by any future Legislature and, because this is the last time I'll have this budget, I want to make sure that we get that in the records, and hopefully, somebody will read it.

So with that, I will urge that we adopt this report.

#### **House Bill No. 5643, entitled**

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to repeal acts and parts of acts.

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

#### **FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

#### **House Bill No. 5643, entitled**

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to repeal acts and parts of acts.

Recommends:

First: That the House recede from the House Substitute for the Senate Substitute as passed by the House.

Second: That the House and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. There is appropriated for the department of career development and the Michigan strategic fund for the fiscal year ending September 30, 2003, from the funds indicated in this part, the following:

**TOTAL APPROPRIATIONS**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,320.5	
<b>GROSS APPROPRIATION</b> .....		\$ 606,028,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		\$ 100,900
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 605,927,200
Federal revenues:		
Total federal revenues .....		469,422,500
Special revenue funds:		
Total local revenues .....		15,011,900
Total private revenues .....		3,249,400
Total other state restricted revenues .....		53,711,500
State general fund/general purpose .....		\$ 64,531,900

**Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT**

**(1) APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,089.0	
<b>GROSS APPROPRIATION</b> .....		\$ 459,846,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 459,846,600
Federal revenues:		
Total federal revenues .....		406,469,200
Special revenue funds:		
Total local revenues .....		15,011,900
Total private revenues .....		2,396,300
Total other state restricted revenues .....		8,661,500
State general fund/general purpose .....		\$ 27,307,700

**(2) DEPARTMENTAL ADMINISTRATION**

Full-time equated unclassified positions .....	6.0	
Unclassified salaries .....		\$ 506,800
<b>GROSS APPROPRIATION</b> .....		\$ 506,800
Appropriated from:		
State general fund/general purpose .....		\$ 506,800

**(3) DEPARTMENT OPERATIONS**

Full-time equated classified positions .....	60.0	
Administration—60.0 FTE positions .....		\$ 7,054,200
Building occupancy charges - property development services .....		923,400
Special project advances .....		200,000
Workers' compensation .....		217,800
<b>GROSS APPROPRIATION</b> .....		\$ 8,395,400

Appropriated from:

Federal revenues:		
CNS .....		205,800
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....		2,578,200

	For Fiscal Year Ending Sept. 30, 2003
DOL-ETA, workforce investment act .....	\$ 355,300
DOL, federal funds .....	1,708,500
Federal revenues .....	135,500
HHS, temporary assistance for needy families .....	337,700
Special revenue funds:	
Private-special project advances .....	200,000
Contingent fund, penalty and interest account .....	436,100
State general fund/general purpose .....	\$ 2,438,300
<b>(4) WORKFORCE DEVELOPMENT</b>	
Full-time equated classified positions .....	659.0
Employment training services—566.0 FTE positions .....	\$ 70,836,500
Michigan career and technical institute—93.0 FTE positions .....	10,993,600
<b>GROSS APPROPRIATION</b> .....	\$ 81,830,100
Appropriated from:	
Federal revenues:	
CNS .....	1,663,800
DAG, employment and training .....	167,600
DED-OPSE, multiple grants .....	815,500
DED-OSERS, centers for independent living .....	58,200
DED-OSERS, rehabilitation long-term training .....	566,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	46,245,900
DED-OSERS, state grants for technical related assistance .....	56,000
DED, Perkins act .....	173,600
DOL-ETA, workforce investment act .....	3,994,000
DOL, federal funds .....	5,000,000
HHS-SSA, supplemental security income .....	4,394,800
HHS, temporary assistance for needy families .....	3,128,400
Special revenue funds:	
Local vocational rehabilitation match .....	3,247,100
Private-gifts, bequests, and donations .....	1,396,300
Rehabilitation services fees .....	1,245,900
Second injury fund .....	51,500
Student fees .....	308,000
Training material fees .....	256,300
State general fund/general purpose .....	\$ 9,060,300
<b>(5) CAREER EDUCATION PROGRAMS</b>	
Full-time equated classified positions .....	72.0
Career and technical education—32.0 FTE positions .....	\$ 3,494,300
Postsecondary education—23.0 FTE positions .....	2,490,300
Adult education—15.0 FTE positions .....	2,180,000
Commission on Spanish speaking affairs—2.0 FTE positions .....	220,500
<b>GROSS APPROPRIATION</b> .....	\$ 8,385,100
Federal revenues:	
Federal revenues .....	6,108,400
Special revenue funds:	
Defaulted loan collection fees .....	100,000
Private occupational school license fees .....	378,900
State general fund/general purpose .....	\$ 1,797,800
<b>(6) DEPARTMENT GRANTS</b>	
Adult basic education .....	\$ 13,500,000
Council of Michigan foundations .....	3,000,000
Focus:HOPE .....	5,744,300
Gear up program grants .....	3,000,000
Job training programs subgrantees .....	98,802,700
Michigan community service commission subgrantees .....	6,757,300
Personal assistance services .....	462,000

	For Fiscal Year Ending Sept. 30, 2003
Pre-college programs in engineering and the sciences .....	\$ 940,200
Supported employment grants .....	1,441,300
Technology assistance grants .....	1,378,700
Carl D. Perkins grants .....	42,500,000
Vocational rehabilitation client services/facilities .....	51,339,200
Vocational rehabilitation independent living .....	3,190,700
Welfare-to-work programs .....	72,898,600
Michigan virtual university .....	1,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 305,955,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
CNS .....	5,500,000
DAG, employment and training.....	13,000,000
DED-OESE, gear-up .....	3,000,000
DED-OSERS, centers for independent living.....	525,000
DED-OSERS, client assistance for individuals with disabilities .....	440,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	35,972,900
DED-OSERS, rehabilitation services facilities.....	2,272,500
DED-OSERS, supported employment .....	1,441,300
DED-OSERS, state grants for technical related assistance.....	1,378,700
DED-OVAE, adult education.....	13,500,000
DED-OVAE, basic grants to states .....	42,500,000
DOL-ETA, welfare-to-work .....	20,000,000
DOL-ETA, workforce investment act .....	104,602,700
HHS-SSA, supplemental security income .....	2,480,600
HHS, temporary assistance for needy families .....	32,399,000
Special revenue funds:	
Local vocational rehabilitation facilities match.....	1,278,300
Local vocational rehabilitation match .....	6,437,400
Private-gifts, bequests, and donations .....	800,000
Contingent fund, penalty and interest account .....	1,000,000
Tobacco settlement revenue .....	3,000,000
State general fund/general purpose .....	\$ 14,426,600
<b>(7) EMPLOYMENT SERVICE AGENCY</b>	
Full-time equated classified positions .....	298.0
Building occupancy charges - property development service .....	\$ 858,100
Worker's compensation .....	53,800
Employment service—246.0 FTE positions .....	43,798,800
Labor market information—52.0 FTE positions.....	4,492,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 49,203,600</b>
Appropriated from:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	1,317,400
DOL, federal funds .....	41,952,300
Special revenue funds:	
Local revenues .....	4,049,100
Contingent fund, penalty and interest account .....	1,884,800
State general fund/general purpose .....	\$ 0
<b>(8) INFORMATION TECHNOLOGY</b>	
Information technology services .....	\$ 6,492,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 6,492,700</b>
Appropriated from:	
Federal revenue.....	6,492,700
State general fund/general purpose .....	\$ 0
<b>(9) EARLY RETIREMENT AND BUDGETARY SAVINGS</b>	
Early retirement savings .....	\$ (575,300)

	For Fiscal Year Ending Sept. 30, 2003
Budgetary savings.....	\$ (346,800)
GROSS APPROPRIATION .....	\$ (922,100)
Appropriated from:	
State general fund/general purpose .....	\$ (922,100)
<b>Sec. 103. MICHIGAN STRATEGIC FUND</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated classified positions .....	231.5
GROSS APPROPRIATION .....	\$ 146,181,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	100,900
ADJUSTED GROSS APPROPRIATION .....	\$ 146,080,600
Federal revenues:	
Total federal revenues .....	62,953,300
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	853,100
Total other state restricted revenues .....	45,050,000
State general fund/general purpose .....	\$ 37,224,200
<b>(2) MICHIGAN STRATEGIC FUND</b>	
Full-time equated classified positions .....	231.5
Administration—40.0 FTE positions.....	\$ 5,228,100
Job creation services—191.5 FTE positions.....	23,818,900
Michigan promotion program.....	6,742,500
Economic development job training grants .....	6,748,000
Community development block grants .....	60,000,000
Life sciences corridor initiative.....	45,000,000
GROSS APPROPRIATION .....	\$ 147,537,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	100,900
Federal revenues:	
DOL-ETA, employment service .....	783,700
HUD-CPD, community development block grant.....	62,169,600
Special revenue funds:	
Private-Michigan certified development corporation fees.....	353,100
Private-special project advances.....	500,000
Industry support fees.....	50,000
Tobacco settlement trust fund .....	45,000,000
State general fund/general purpose .....	\$ 38,580,200
<b>(3) EARLY RETIREMENT AND BUDGETARY SAVINGS</b>	
Early retirement savings .....	\$ (895,200)
Budgetary savings.....	(460,800)
GROSS APPROPRIATION .....	\$ (1,356,000)
Appropriated from:	
State general fund/general purpose .....	\$ (1,356,000)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$123,036,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$4,500,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

MICHIGAN STRATEGIC FUND

Economic development job training grants .....	\$ 4,500,000
Total Michigan strategic fund .....	\$ 4,500,000

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

Sec. 203. As used in this appropriation act:

- (a) "CDBG" means community development block grant.
- (b) "CEO" means chief executive officer of the Michigan strategic fund.
- (c) "CNS" means the corporation for national services.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED" means the United States department of education.
- (f) "DED-OESE" means the DED office of elementary and secondary education.
- (g) "DED-OPSE" means the DED office of postsecondary education.
- (h) "DED-OSERS" means the DED office of special education rehabilitation services.
- (i) "DED-OVAE" means the DED office of vocational and adult education.
- (j) "Department" means the department of career development.
- (k) "Director" means the director of the department of career development.
- (l) "DOL" means the United States department of labor.
- (m) "DOL-ETA" means the DOL employment and training act.
- (n) "DOL-NOICC" means the DOL national occupational information coordinating committee.
- (o) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (p) "FTE" means full-time equated.
- (q) "Fund" means the Michigan strategic fund.
- (r) "GED" means general education degree.
- (s) "HHS" means the United States department of health and human services.
- (t) "HHS-SSA" means HHS social security administration.
- (u) "HUD-CPD" means HUD community planning and development.
- (v) "IDG" means interdepartmental grant.
- (w) "MDEQ" means the Michigan department of environmental quality.
- (x) "MDOC" means the Michigan department of corrections.
- (y) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budgets for the department and the fund.

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

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

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

Sec. 206. (1) In addition to the funds appropriated for the department and the fund in part 1, there is appropriated an amount not to exceed \$41,000,000.00 for the department and \$7,000,000.00 for the fund for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,000,000.00 for the department for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for the department and \$500,000.00 for the fund for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 208. Unless otherwise specified, the department and fund shall use the internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site. Quarterly, the department and fund shall provide to the subcommittee, state budget office, and the fiscal agencies an electronic and paper copy listing of the reports submitted during the most recent 3-month period along with the internet or intranet site of each report, if any.

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

Sec. 210. The director or the CEO of each department and agency receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director or CEO shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. Of the funds appropriated in part 1 that are in units other than the grants unit, the department and the fund shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department or the fund provides notice of the grant to the subcommittees at least 10 days before the grant is issued or at least 72 hours before any announcement to local governmental units or the public.

Sec. 212. The department and the fund shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

Sec. 213. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

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

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 262. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

- (a) \$1,000,000.00 is appropriated to the council of Michigan foundations from the tobacco settlement trust fund.
- (b) \$250,000.00 is appropriated to focus:HOPE from the state general fund.
- (c) \$225,000 is appropriated to adult education learning grants from the state general fund.
- (d) \$6,800,000.00 is appropriated to economic development job training grants from the state general fund.
- (e) \$700,000.00 is appropriated to the Michigan promotion program from the state general fund.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

#### **DEPARTMENT OF CAREER DEVELOPMENT**

Sec. 301. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 302. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately



raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

Sec. 303. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30, 2003.

Sec. 304. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

(2) The statewide independent living council and the Michigan association of centers for independent living shall jointly produce a report providing the following information:

(a) Results in terms of enhanced statewide access to independent living services to individuals who do not have access to such services through other existing public agencies, including measures by which these results can be monitored over time. These measures shall include:

(i) Total number of persons assisted by the centers and a comparison to the number assisted in the previous year.

(ii) Number of persons moved out of nursing homes into independent living situations and a comparison to the number assisted in the previous year.

(iii) Number of persons for whom accommodations were provided to enable independent living or access to employment and a comparison to the number assisted in the previous year.

(iv) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated in part 1 administered by a center for independent living and a comparison to the number served in the previous year.

(b) Information from each center for independent living receiving funding through appropriations in part 1 detailing their total budget for their most recently completed fiscal year as well as the amount within that budget funded through the vocational rehabilitation independent living grant program referenced in part 1, the total amount funded through other state agencies, the amount funded through federal sources, and the amount funded through local and private sources.

(c) Savings to state taxpayers in other specific areas that can be shown to be the direct result of activities funded from the vocational rehabilitation independent living grant program during the most recently completed state fiscal year.

(3) The report required in subsection (2) shall be submitted to the appropriate appropriations subcommittees, the fiscal agencies, and the state budget director on or before January 30, 2003.

Sec. 305. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to family independence program applicants and recipients and may be expended for grants which provide employment and training services to former family independence program recipients, as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

(2) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization that provides school-to-work transition programs or that provides employment and training services or vocational rehabilitation programs or state licensed accredited vocational or technical education programs, proprietary school licensed by the state board of education, local workforce development board, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, licensed proprietary schools, or public or private nonprofit colleges or universities described in this subsection.

(3) When the work first job search requirements have been completed, if the participant has not found employment, the work first site shall identify the barriers which may have prevented the participant from obtaining employment and assist the client in removing those barriers. The work first site shall also identify appropriate education and job training programs which would be available to the participant. The department shall encourage the Michigan works agencies to consider transportation challenges for work first participants placed in employment. When an individual is re-referred to work first because of an inability to retain employment, the department shall confer with the Michigan rehabilitation services, the family independence agency, or other professionals if deemed appropriate by the Michigan works agency to screen for and identify issues that are preventing the participant from succeeding in the labor market. Each Michigan works agency shall determine locally the number of times an individual may be re-referred back to the program before consulting with other service agencies. If no prohibitive barriers to work are found, the individual shall comply with the work first program, or be subject to appropriate penalties.

(4) Work first program participants shall include applicants and recipients of the family independence program established under section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such individuals referred to a job club program by a county family independence agency board or a county friend of the court as long as the participation in the job club is part of an application made under this section.

(5) Participants in the work first program shall not be enrolled and counted in membership in a school district or intermediate school district.

(6) The department will work with the family independence agency to coordinate support services to work first participants relating to special/emergency needs.

(7) Work first program participants must receive or be provided an explanation of the program including their benefits and responsibilities before the job interview phase of the program. This explanation shall include clear guidelines with regard to an individual's eligibility for postemployment training support and for applying hours in training toward federal work requirements.

(8) The department shall make every effort to place a minimum of 50% of clients who participate in the work first program in positions that provide wages of \$6.00 per hour or more.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15, 2003, a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 90 days, the number of participants placed in employment training and education programs, the number of clients referred to work first who failed to report, a compilation of barriers to employment by incidence and type experienced by participants, and the number of participants referred back to the family independence agency.

(10) The department shall provide to the state budget director and the fiscal agencies by May 15 and November 15 of each year a report on the work first grants. The report due by May 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 15 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain both of the following:

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

(b) The number of participants in each service delivery area and the number of clients placed in employment in each service delivery area.

(11) The department shall make available to work first participants guidelines on eligibility for postemployment training and how training/education hours are applied toward federal work participation requirements. These guidelines will be presented during joint orientation conducted by the family independence agency and the department contracted staff in accordance with department policy issuances and family independence agency program bulletins. These guidelines presented by the department and the family independence agency shall balance the ability of participants to obtain training and subsequent long-term high-wage employment with the need to connect participants with the workplace. Any and all training/education, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education. Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. The combined work and training/education hours must equal the minimum number of hours required to meet the federal work participation requirements, 30 hours per week for a single parent, 35 hours per week for 2-parent families, 55 hours if utilizing federally funded day care, and 20 hours per week for single parents with a child under the age of 6. Work first participants may enroll in additional hours of classroom seat time beyond 10 hours. However, these hours and the related study time will not count toward the work participation requirement. The training may be no longer than a 1-year program or the final year of a 2- or 4-year undergraduate program designed to lead to immediate labor force attachment.

(13) Work first participants may meet the federal work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. Two-parent families who receive federally funded day care must work an additional 25 hours per week to meet the federal work participation requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 6 months.

(14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours

of work per week, to meet their federal work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 6 months.

Sec. 306. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose family independence program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

- (a) The number and percentage employed.
- (b) The average hourly wage of those employed.
- (c) The current hourly wage of those employed.
- (d) The range of wages earned by those employed.
- (e) The number of individuals that earned each wage amount.
- (f) The number and percentage receiving health care benefits from their employer.
- (g) The number and percentage receiving tuition reimbursement from their employer.
- (h) The number and percentage receiving training benefits from their employer.
- (i) The type of jobs obtained by former participants in general categories.
- (j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
- (k) The number and percentage continuing to receive any type of public assistance.
- (l) If the former recipient has children, whether the children are enrolled in and attending school.
- (m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.

(2) The department shall file a report containing the identified data with the subcommittees, fiscal agencies, and state budget director by March 15, 2003.

(3) The department shall cooperate with the family independence agency in formulating and acquiring the identified data.

(4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Sec. 307. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, and parents of public school pupils.

Sec. 309. (1) Of the funds appropriated in part 1 for precollege programs in engineering and the sciences, \$558,000.00 shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated and \$382,200.00 shall be provided in the form of a grant to the Grand Rapids area precollege engineering program.

(2) The department shall submit a report to the subcommittees and the fiscal agencies by February 1, 2003 regarding dropout rates, grade point averages, enrollment in science, engineering, and math-based curricula, and employment in science, engineering, and math-based fields for students within the programs. The report shall continue to evaluate the effectiveness of the precollege programs in engineering and sciences funded through part 1 appropriations and shall make recommendations on whether state support to expand such programs to other areas of the state is warranted in future fiscal years.

Sec. 310. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the subcommittees, fiscal agencies, and the state budget office of the purpose and amount of each grant award.

Sec. 311. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative present, if able and willing to serve, at each Michigan works! employment services office on a full- or part-time basis during hours of operation.

(2) The department shall ensure that each Michigan works! employment services office shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties in the same manner they were performed prior to February 1, 1999.

(3) The department shall require each Michigan works! employment services office to have an employee available to ask each individual who enters the office for service whether that individual is a veteran and to refer each veteran to the disabled veterans outreach program specialist or local veterans employment representative on duty at the time.

(4) The department shall require that each Michigan works! employment services office shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

(5) The department shall require each Michigan works! employment services office to provide free mediated services to employers wishing to hire a veteran.

(6) The department shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 312. The department shall report to the subcommittees by September 30, 2003, on the distribution of the Michigan community service commission volunteer investment grants.

Sec. 313. The funds appropriated in part 1 for the council of Michigan foundations from tobacco settlement revenue shall be distributed to the council of Michigan foundations as a grant to support local community efforts to address youth and senior health needs. The council may distribute the funds according to a formula determined by the council or may invest these funds. Any investment earnings from this appropriation shall be used for the same purpose as the original appropriation.

Sec. 314. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

Sec. 315. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

Sec. 316. Money in the school fee fund that is unexpended at the end of the fiscal year may be carried over to the succeeding fiscal year.

Sec. 317. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 318. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees by February 1 of each year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

(a) The number of participants receiving support under the program.

(b) The number of participants obtaining full-time employment.

(c) The number of participants obtaining full-time employment in college faculty positions.

(d) The number of participants obtaining full-time employment in college faculty positions within the university through which they received future faculty program support for graduate studies.

Sec. 319. The appropriation in part 1 for adult education shall be utilized to support the administration of up to \$100,000,000.00 in general fund/general purpose revenue for adult education programs. It is the intent of the legislature that department staff funded through the appropriation in part 1 ensure that at least \$75,000,000.00 in adult education program funding be distributed through the existing grant process as outlined in section 107 of the state school aid act of 1979, 1979 PA 94, MCL 388.1707. No more than \$20,000,000.00 may be administered through any alternative process.

Sec. 320. The department shall work with the department of community health to establish a Medicaid buy-in program for the working disabled through the options available under the federal ticket to work and work incentives improvement act of 1999.

Sec. 321. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide a report to the subcommittees on December 30, 2002, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source and any expenditures or encumbrances relating to this marketing effort. It is the intent of the legislature that the department administer the King-Chavez-Parks initiative in the same manner as when it was previously contained in the department of education and consistent with all boilerplate language pertaining to the above listed programs as included in the appropriations act for higher education institutions.

Sec. 325. The department shall work cooperatively with the department of civil service to identify state employees who will lose their jobs as a result of an agency or program being reorganized, modified, or eliminated and shall develop training programs and provide training to these individuals that will provide them an opportunity and skills necessary to secure new employment within state government or the private sector. It shall be a priority of the department to provide training and employment opportunities to these individuals through their employment service locations.

Sec. 326. From the funds appropriated in part 1 to job training programs subgrantees, the department shall allocate sufficient funds to the Michigan works! service centers to allow these centers to remain fully operational.

Sec. 327. It is the intent of the legislature that the department shall work with the disability rights coalition to identify all sources of state funding that may be used to match federal or private funding to create a loan program for assistive technology for persons with disabilities.

Sec. 328. From the funds appropriated in part 1 for the Michigan virtual university, the department shall work with the Michigan virtual university to do the following:

(a) Promote the use of education technology to accelerate career and workforce development by improving the learning environment, stimulating innovative teaching methods, and providing residents of this state with greater technology-based career choices.

(b) Promote technology-based training to public and private sector organizations that emphasize partnerships between public education and the business sector.

(c) Support and encourage various collaborative efforts among educational institutions and government agencies to meet the training needs of the state's workforce.

Sec. 329. (1) Focus hope shall submit a report on the use of the grants funds appropriated in part 1 to the chairs of the house and senate subcommittees and the fiscal agencies that includes, but is not limited to, the following:

(a) Detailed expenditures for administration including salaries and wages of employees.

(b) Amount allocated for education and training programs including number of students served by each program.

(c) Amount allocated for job search assistance and career planning including the number of students served by each program.

(d) Detailed expenditures for any contracts entered into with the use of these funds.

(e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.

(2) The report shall be submitted on or before January 31, 2003.

### **MICHIGAN STRATEGIC FUND**

Sec. 401. (1) The appropriation in part 1 to the fund for economic development job training shall be expended for competitive grants that ensure employers have the trained workers they need to compete in the global economy. The fund shall expedite grant awards for employers locating or expanding in Michigan and thereby creating significant numbers of new jobs in the state. The fund shall award all grants in the first 2 quarters of the state fiscal year but this requirement shall not be applicable to funds available for the rapid response grants as allowed in subsection (10), funds contained in the Michigan growth capital fund as allowed in subsection (22), and the university research grant match as allowed in subsection (21).

(2) Not more than 5% of the total grant, administration, and operating funds appropriated in part 1 for the fund's economic development job training grants program may be expended for administrative costs. Not more than 12% of the total grant awarded to recipients may be expended for administration costs.

(3) No funds appropriated in part 1 to the fund for economic development job training grants may be expended for the training of permanent striker replacement workers.

(4) Of the total funds appropriated in part 1 for economic development job training grants, at least 90% of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (6).

(5) Training grants provided by private sector trainers may reach or exceed 20% of total grants, but not less than 10%.

(6) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection.

(7) On or before October 1, 2002, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment prior to finalization of the application criteria, instructions, and forms.

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

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

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

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

(d) A commitment to maintain participant records in a form and manner required by the fund.

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

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

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

(b) Creation and/or retention of high wage and high skilled level jobs.

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

(10) Not more than \$5,000,000.00 of the amount appropriated in part 1 for economic development job training may be allocated to rapid response grants for employee training programs which maintain or attract permanent jobs for Michigan residents. A grant under this subsection shall be awarded to eligible applicants under subsection (1).

(11) Participants in economic development job training programs shall be 16 years or older and not enrolled and counted in membership in a school district or intermediate school district.

(12) Funds allocated under this section shall be for the purpose of ensuring that employers have trained workers they need to compete in the global economy. The fund shall have on file a specific plan to accomplish its objectives.

(13) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.

(14) For incumbent worker training, the business organization shall provide 25% of the program costs in matching funds as determined by the program.

(15) Grant funds shall be expended on a cost reimbursement basis.

(16) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit.

(17) The fund shall provide to the state budget director and the fiscal agencies by April 15 and November 1 of each year a report on the economic development job training grants. The report due by April 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 1 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

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

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

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

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

(18) Of the funds appropriated in part 1 for economic development job training grants, the fund shall not use these funds to finance the startup or in any way subsidize any private distributor of liquor products in Michigan.

(19) As a condition of receiving funds under part 1 of this act, the fund shall not expend any of the economic development job training grant funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

(20) Of the funds appropriated in part 1, \$1,000,000.00 may be used for a recruitment program. This will be a program that provides worker recruitment assistance to companies in Michigan. Priority for using the funds shall be to recruit workers from outside the state of Michigan. However, in the event funds are available for in-state recruitment efforts, the Michigan works! agencies shall be utilized unless they indicate they are unable to provide the service.

(21) The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

(a) An applicant must match state funds on a 1:1 basis.

(b) Eligible uses of the fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

(c) The Michigan economic development corporation shall administer the Michigan growth capital fund.

(d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the Michigan strategic fund for the purposes described in this subsection.

(e) Michigan economic development corporation shall provide an annual report on the status of Michigan growth capital fund to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2003.

(22) Of the funds appropriated in part 1, \$1,000,000.00 may be used to provide match for federal research grants made to Michigan public universities. These funds shall be distributed through a competitive grant program. No grant shall be greater than \$500,000.00 and no university shall receive more than 1 grant in a fiscal year.

(23) It is the intent of the legislature that the fiscal year 2003 economic development job training grant program be continued in fiscal year 2004 and be funded at a level not less than that in effect in fiscal year 2002.

Sec. 402. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 403. The fund shall submit an annual status report to the subcommittees, fiscal agencies, and the state budget director on all activities, grants, and investment programs financed from the strategic fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund.

Sec. 404. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times." copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 405. Of the funds appropriated in part 1 for the Michigan promotion program, at least 25% of all program funds shall be used to promote cultural tourism opportunities in Michigan. In addition, \$25,000.00 shall be used to promote tourism activities in the northeast region of this state.

Sec. 406. The fund shall submit on or before May 1, 2003, and November 1, 2003, to the subcommittees, state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

- (a) The name of the recipient.
- (b) The amount awarded to the recipient.
- (c) The purpose of the grant.

Sec. 407. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation. The report shall include, but not be limited to, the following programs funded in part 1:

- (a) Travel Michigan.
- (b) Michigan business development.
- (c) Global business development.
- (d) Small, minority, and disabled business services.
- (e) Community development block grants.
- (f) Strategic fund administration.
- (g) Renaissance zones.
- (h) Business roundtables.
- (i) Business and clean air ombudsman.
- (j) Economic development job training grants.
- (k) Health and aging research and development initiative.
- (l) Community assistance team.
- (m) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 1, 2003. The report for each program in subsection (1)(a) through (m) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

Sec. 408. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 409. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

- (a) The land is located in an economically distressed area.

(b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.

(2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area's population centers.

(3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone.

Sec. 410. (1) The funds appropriated in part 1 for the life sciences corridor initiative are appropriated to support basic and applied research in health-related areas, with emphasis on issues related to aging. The program shall be administered by the Michigan economic development corporation.

(2) A life sciences steering committee, appointed by the governor, shall consist of 14 members including the CEO of the Michigan economic development corporation, a member from Michigan State University, the University of Michigan, Wayne State University, the Van Andel Institute, and 2 members from the private sector. The remaining members shall be appointed at large and may include members from the private sector, public sector, or other Michigan

universities. Committee members are authorized to designate alternate members. The purpose of the steering committee is to provide advice and oversight of the initiative, including the development of criteria for the award of contracts or grants to qualifying universities, institutions, or individuals. The steering committee will make decisions regarding distribution of these grant funds and has the authority to make adjustments to the category funding percentage from basic research and collaborative research grants to the commercialization fund based upon the demands within categories and the quality of the applications received.

(3) Of the funds appropriated, up to \$2,500,000.00 may be used for administering the initiative and not less than \$5,000,000.00 shall be used to support a commercial development fund to support commercialization opportunities for life science research in Michigan. In allocating funding to the commercial development fund, it is the intent of the legislature that the life sciences steering committee give maximum priority to supporting all potential commercialization opportunities that appear to have merit. Of the remaining funds appropriated, 45% are allocated for a basic research fund, to be distributed on a competitive basis to Michigan universities or Michigan nonprofit research institutes, or both, for basic research in health-related areas. Not less than \$4,000,000.00 is allocated to research related to aging diseases and health problems. In addition, 55% of the remaining appropriated funds are earmarked for a collaborative research fund to support peer-reviewed collaborative grants among Michigan universities and/or private research facilities, with emphasis on testing or developing emerging discoveries.

(4) Repayment of any funds received as a result of awards made under 1999 PA 120, 2000 PA 292, 2001 PA 80, or this act including, but not limited to, funds received as interest or return on investment shall be deposited in the fund described in subsection (3) from which it was awarded to be expended for the same purposes. These funds are authorized for expenditure upon receipt and shall not lapse to the general fund.

(5) The records of the life sciences steering committee involving a proposal submitted by an eligible entity that are of a scientific, technical, or proprietary nature, the release of which could cause competitive harm to the eligible entity as determined by the health and aging steering committee, are exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

Sec. 411. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, t-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Sec. 412. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this act.

Sec. 413. As a condition of receiving funds under part 1, the fund shall ensure that a 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 a contractual interlocal agreement between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund, complies with all of the following:

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.

Sec. 414. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the Michigan strategic fund, Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 415. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the Michigan strategic fund for the purposes described in this act.

(2) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2003.

Sec. 416. Travel Michigan shall coordinate with Michigan-based ethnic destination marketing organizations to promote ethnic festivals and events in Michigan target markets.

Sec. 418. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund will be used to create an urban revitalization infrastructure program in the Michigan strategic fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards will be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.



(3) Awards can be used for land and property acquisition and assembly, demolition, site development, utility modifications and improvements, street and road improvements, telecommunication infrastructure, site location and relocation, infrastructure improvements, and any other costs related to the successful development and implementation of core community or certified technology park projects, at the discretion of the Michigan economic development corporation.

(4) Funding may be provided in the form of loans, grants, sales or cash flow participation agreements, guarantees, or any combination of these. A cash match of at least 10%, or local repayment guarantee with a dedicated funding source, is required. Priority shall be given to projects which are integrated with existing economic development programs, and to projects in proportion to the amount that local matching rates exceed 10%.

(5) The Michigan economic development corporation shall have all administrative responsibility for the Michigan core communities fund and shall establish application and application scoring criteria and approve awards. The Michigan economic development corporation may utilize up to 1/2 of 1% of the fund for administrative purposes.

(6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.

(7) No single applicant shall be awarded more than \$10,000,000.00 per project.

(8) Fifteen days prior to the award of the funds, notification shall be provided to the speaker of the house of representatives, the senate majority leader, the members of the house and senate appropriations committees, and the house and senate fiscal agencies.

(9) Funds shall not be awarded for any of the following purposes:

(a) Land sited for use as, or support for, a gaming facility.

(b) Land or other facilities owned or operated by a gaming facility.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

(10) As used in this section, "Michigan economic development corporation" means 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 a contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund. If the Michigan economic development corporation is unable for any reason to perform its duties under this act, the Michigan strategic fund may exercise those duties.

(11) Up to \$1,000,000.00 of any unexpended and unencumbered funds in the Michigan core communities fund and any funds received from the repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or the payment of interest on these funds shall be used to support the capital access program.

Sec. 419. Of the funds appropriated in part 1 for job creation services, \$20,000.00 shall be allocated in fiscal year 2003 to the Michigan technical assistance center in Port Huron.

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

Sandra Caul  
Gary Newell  
Conferees for the House

Shirley Johnson  
Leon Stille  
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 784**

**Yeas—20**

Bennett	Goschka	McManus	Shugars
Bullard	Gougeon	North	Sikkema
DeGrow	Hammerstrom	Sanborn	Steil
Dunaskiss	Johnson	Schuette	Stille
Emmons	McCotter	Schwarz	Van Regenmorter

**Nays—15**

Byrum	Emerson	Leland	Scott
Cherry	Gast	Miller	Smith
DeBeussaert	Hart	Murphy	Young
Dingell	Koivisto	Peters	

**Excused—3**

Garcia	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

Senator Emmons moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**Protest**

Senator Dingell, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report for House Bill No. 5643 and moved that the statement he made during the discussion of the conference report be printed as his reasons for voting “no.”

The motion prevailed.

Senator Dingell’s statement is as follows:

I rise in opposition to the conference report. There are a number of concerns I have with this conference report. This conference report includes the replacement of Work Force Investment Act funds and general funds for job training programs with federal Reed Act funds as proposed in the fiscal year 2002 supplemental. The shift of funds is significant and a concern to me since Reed Act guidelines specifically prohibit the use of money for job training purposes, and this bill specifically does use them for job training purposes. The conference report also reduces funds for Focus:HOPE by a quarter million dollars. Focus:HOPE has been instrumental in providing career training to post-secondary students in not just southeastern Michigan, but much of the state. The conference committee report eliminates adult education learning grants to bodies like ACCESS, the Arab American Caldean Council, and the Jewish vocational services agencies. The conference committee report eliminates funds for the Capital Access Program that’s important to so many small businesses in not just my district, but every other state Senate district. The economic development job training grants which are provide to community colleges to assist employers in maintaining highly-skilled work forces would be cut even further than the Governor’s original recommendation. This is as bad as it gets.

**House Bill No. 5648, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2003; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

**House Bill No. 5648, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2003; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to

prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2003; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**JUDICIARY**

**APPROPRIATION SUMMARY:**

Full-time equated exempted positions .....	582.5	
GROSS APPROPRIATION .....		\$ 245,245,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		2,833,500
ADJUSTED GROSS APPROPRIATION .....		\$ 242,412,300
Federal revenues:		
Total federal revenues .....		3,901,000
Special revenue funds:		
Total local revenues .....		2,941,800
Total private revenues .....		842,500
Total other state restricted revenues .....		57,727,700
State general fund/general purpose .....		\$ 176,999,300

**Sec. 102. SUPREME COURT**

Full-time equated exempted positions .....	284.0	
Supreme court administration—114.0 FTE positions .....		\$ 10,846,300
Judicial institute—20.0 FTE positions .....		3,107,000
State court administrative office—80.0 FTE positions .....		9,987,700
Judicial information systems—21.0 FTE positions .....		4,772,500
Direct trial court automation support—33.0 FTE positions.....		2,900,500
Foster care review board—12.0 FTE positions.....		1,253,200
Community dispute resolution—4.0 FTE positions.....		2,511,300
Drug treatment courts .....		1,293,700
GROSS APPROPRIATION .....		\$ 36,672,200

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of career development .....		95,000
IDG from state police - criminal justice improvement .....		2,015,000
IDG from state police - Michigan justice training fund .....		300,000
Federal revenues:		
USDA, agriculture mediation grant.....		125,000
DOE, special education grant.....		150,000
DOJ, enforcing underage drinking law.....		50,000
DOJ, victims assistance programs.....		50,000
DOT, national highway safety traffic administration .....		215,300
HHS, access and visitation grant.....		387,000
HHS, court improvement project.....		1,160,000
HHS, title IV-D child support program .....		907,700
HHS, title IV-E foster care program.....		500,000
HHS, TANF .....		50,000
HHS, domestic violence prevention .....		269,500

	For Fiscal Year Ending Sept. 30, 2003
Special revenue funds:	
Local - user fees .....	\$ 2,941,800
Private .....	169,000
Private - interest on lawyers trust accounts .....	232,700
Private - state justice institute .....	370,800
Community dispute resolution fees .....	1,665,600
Law exam fees .....	482,100
Miscellaneous revenue .....	227,900
State court fund .....	319,000
State general fund/general purpose .....	\$ 23,988,800
<b>Sec. 103. COURT OF APPEALS</b>	
Full-time equated exempted positions .....	230.5
Court of appeals operations—230.5 FTE positions .....	\$ 17,914,100
GROSS APPROPRIATION .....	\$ 17,914,100
Appropriated from:	
Special revenue funds:	
Court filing/motion fees .....	1,571,000
Miscellaneous revenue .....	77,800
State general fund/general purpose .....	\$ 16,265,300
<b>Sec. 104. BRANCHWIDE APPROPRIATIONS</b>	
Full-time equated exempted positions .....	3.0
Branchwide appropriations .....	\$ 9,458,100
GROSS APPROPRIATION .....	\$ 9,458,100
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 9,458,100
<b>Sec. 105. JUSTICES' AND JUDGES' COMPENSATION</b>	
Full-time judges positions .....	615.0
Supreme court justices' salaries—7.0 judges .....	\$ 1,169,600
Court of appeals judges' salaries—28.0 judges .....	4,304,000
District court judges' state base salaries—258.0 judges .....	24,412,400
District court judicial salary standardization .....	11,796,800
Probate court judges' state base salaries—106.0 judges .....	9,254,500
Probate court judicial salary standardization .....	4,347,100
Circuit court judges' state base salaries—216.0 judges .....	20,658,100
Circuit court judicial salary standardization .....	9,807,800
Judges' retirement system defined contributions .....	2,570,000
OASI, social security .....	4,637,600
GROSS APPROPRIATION .....	\$ 92,957,900
Appropriated from:	
Special revenue funds:	
Court fee fund .....	7,090,200
State general fund/general purpose .....	\$ 85,867,700
<b>Sec. 106. JUDICIAL AGENCIES</b>	
Full-time equated exempted positions .....	10.0
Judicial tenure commission—10.0 FTE positions .....	\$ 1,014,100
GROSS APPROPRIATION .....	\$ 1,014,100
Appropriated from:	
State general fund/general purpose .....	\$ 1,014,100
<b>Sec. 107. INDIGENT DEFENSE - CRIMINAL</b>	
Full-time equated exempted positions .....	55.0
Appellate public defender program—47.0 FTE positions .....	\$ 4,891,400
Appellate assigned counsel administration—8.0 FTE positions .....	920,400
GROSS APPROPRIATION .....	\$ 5,811,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from state police - Michigan justice training fund .....	423,500

For Fiscal Year  
Ending Sept. 30,  
2003

Federal revenues:		
DOJ, assigned criminal defense .....	\$	36,500
Special revenue funds:		
Private - interest on lawyers trust accounts .....		70,000
Miscellaneous revenue .....		113,100
State general fund/general purpose .....	\$	5,168,700
<b>Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE</b>		
Indigent civil legal assistance .....	\$	7,587,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>7,587,000</u>
Appropriated from:		
Special revenue funds:		
State services fee fund .....		250,000
State court fund .....		7,337,000
State general fund/general purpose .....	\$	0
<b>Sec. 109. TRIAL COURT OPERATIONS</b>		
Court equity fund reimbursements .....	\$	71,005,700
Judicial technology improvement fund.....		1,943,700
Court boundary realignment costs.....		150,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>73,099,400</u>
Appropriated from:		
Special revenue funds:		
Court equity fund.....		36,044,000
State general fund/general purpose .....	\$	37,055,400
<b>Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT</b>		
Drunk driving case-flow program .....	\$	2,300,000
Drug case-flow program .....		250,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>2,550,000</u>
Appropriated from:		
Special revenue funds:		
Drug fund .....		250,000
Drunk driving fund .....		2,300,000
State general fund/general purpose .....	\$	0
<b>Sec. 113. EARLY RETIREMENT AND BUDGETARY SAVINGS</b>		
Early retirement savings .....	\$	(891,200)
Budgetary savings.....		(927,600)
<b>GROSS APPROPRIATION</b> .....	\$	<u>(1,818,800)</u>
Appropriated from:		
State general fund/general purpose .....	\$	(1,818,800)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$234,727,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$113,428,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

<b>SUPREME COURT</b>		
State court administrative office - administration.....	\$	511,900
Drug treatment courts .....		1,293,700
<b>TRIAL COURT OPERATIONS</b>		
Court equity fund reimbursements .....	\$	71,005,700
Judicial technology improvement fund.....		1,943,700
Court boundary realignment costs.....		150,000
<b>JUSTICES' AND JUDGES' COMPENSATION</b>		
District court judicial salary standardization.....	\$	11,796,800
Probate court judges' state base salaries .....		9,254,500

Probate court judicial salary standardization.....	4,347,100
Circuit court judicial salary standardization.....	9,807,800
Grant to OASI contribution fund, employers share, social security.....	766,900
<b>GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT</b>	
Drunk driving case-flow program .....	\$ 2,300,000
Drug case-flow program .....	250,000
<b>TOTAL.....</b>	<b>\$ 113,428,100</b>

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

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this act:

- (a) "DOE" means the United States department of education.
- (b) "DOJ" means the United States department of justice.
- (c) "DOT" means the United States department of transportation.
- (d) "FTE" means full-time equated.
- (e) "HHS" means the United States department of health and human services.
- (f) "HHS-OCSE" means the office of child support enforcement.
- (g) "IDG" means interdepartmental grant.
- (h) "MDCD" means the Michigan department of career development.
- (i) "OASI" means old age survivor's insurance.
- (j) "TANF" means temporary assistance for needy families.
- (k) "USDA" means the United States department of agriculture.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$500,000.00 for federal contingency funds.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$500,000.00 for state restricted contingency funds.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds.

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

(5) A transfer of contingency funds within the judicial branch shall not be made by the authorized agent of the judicial entity unless approved by both appropriations committees. If the state budget director does not approve contingency fund transfers adopted by both appropriations committees under this section, the state budget director shall notify the appropriations committees of his or her action within 15 days.

Sec. 207. At least 90 days before beginning any effort to privatize, the judicial branch shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. Unless otherwise specified, the judicial branch shall use the internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an internet or intranet site. Quarterly, the judicial branch shall provide to the appropriations subcommittees members, state budget office, and the fiscal agencies an electronic and paper copy listing of the reports submitted during the most recent 3-month period along with the internet or intranet site of each report, if any.

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

(2) Funds appropriated in part 1 shall not be used for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan goods or services, or both, are available.

Sec. 210. (1) The chief justice of the supreme court shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the judicial branch. The chief justice shall strongly encourage firms with which the courts of this state contract to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

(2) The chief justice shall take all reasonable steps to ensure equal opportunity for all who compete for and perform contracts to provide services or supplies, or both, for the department. The chief justice shall strongly encourage firms with which the department contracts to provide equal opportunity for subcontractors to provide services or supplies, or both.

Sec. 211. (1) The judicial branch shall provide to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(2) For personal service contracts of \$100,000.00 or more, the judicial branch shall provide a monthly report on all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

Sec. 212. The judicial branch shall receive and retain copies of all reports funded from appropriations in part 1, and shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 213. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2000 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed on the state classified civil service for the fiscal year ending September 30, 2003, efficiencies, and other savings identified by the director and approved by the state budget director.

(3) Appropriation authorization adjustments required to implement the negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

#### **JUDICIAL BRANCH**

Sec. 301. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year, a detailed list of user service charges collected during the immediately preceding state fiscal year.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Sec. 304. The judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted pursuant to section 53 of article IV of the state constitution of 1963.

Sec. 305. To avoid the overexpenditure of funds appropriated under this act, the supreme court shall report quarterly to the state budget director and to the judiciary subcommittees of the house and senate appropriations committees regarding the status of the accounts set forth in part 1.

Sec. 306. The supreme court and the state administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Sec. 310. (1) State general fund appropriation for community dispute resolution contained in part 1 shall be used to supplement funding for community dispute resolution centers. The supplemental funding shall be disbursed by formula to achieve a base level of \$30,000.00 for centers funded through the community dispute resolution act, 1988 PA 260, MCL 691.1551 to 691.1564, with the remainder disbursed based upon performance measures as determined by the state court administrative office.

(2) From the funds in part 1, the chief justice is strongly encouraged to distribute pamphlets of information on the community dispute resolution program, especially to those entities known to be points of referrals, including, but not limited to, all statewide judicial conferences, all courts, local units of government, legal organizations, prosecutors, attorneys, police departments, colleges and universities, and state departments.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to implement new drug treatment court programs. A drug treatment court program shall not receive funds for more than 5 years. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorney, defense attorney, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) Local units of government are encouraged to refer to federal drug treatment court guidelines to prepare proposals. However, federal agency approvals are not required for funding under this section.

(3) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(4) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208 of this act.

Sec. 313. A county shall not be penalized due to the failure to comply with federal child support enforcement system requirements if the family independence agency determines that all of the following conditions are met:

(a) The county, friend of the court, and the department have a written agreement that outlines the county's commitment to participate in the system.

(b) The county and the friend of the court are fully and timely cooperating with the work plan outlined in the child support enforcement memorandum of understanding between the department and the county.

(c) The county and the friend of the court are implementing the child support enforcement system required for federal certification.

(d) The friend of the court and county prosecuting attorney's office use the statewide system upon availability to monitor and process title IV-D cases.

Sec. 316. (1) The appropriation in part 1 for the judicial technology improvement fund shall be allocated for the development of a statewide judicial information system. The supreme court, working with the department of state police, department of corrections, secretary of state, prosecuting attorneys association of Michigan, and the department of information technology, will develop a statewide telecommunications infrastructure to integrate criminal justice information systems. The judicial technology improvement fund shall also provide grants to local trial court funding units to encourage technology innovations by local trial courts that will result in enhanced public service. These innovations will include, but not be limited to, electronic filing, on-line payments of fines and fees, and web-based instructions for completion of court documents.

(2) Funds in part 1 may be used to develop, operate, and maintain a cyber court system.

(3) There is hereby appropriated to the judiciary for deposit into the judicial technology improvement fund \$6,000,000.00 contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system of which up to \$1,000,000.00 may be utilized towards development and operation of a cyber court system as identified in subsection (2). The appropriation to the judiciary of refund money related to the child support enforcement system shall precede any other appropriations of such resources. Notwithstanding the provision in subsection (2), any child support enforcement system penalty refund resources deposited into the judicial technology improvement fund shall be expended in the manner as prescribed in subsection (1). The child support enforcement system refund revenue when certified as available in the judicial technology improvement fund by the judiciary shall remain unallotted until such time as the state budget director has reviewed and approved an allotment schedule submitted by the judiciary. Unexpended resources remaining in the fund at the end of the fiscal year may be carried forward for expenditure in the following year for the same purposes as described in this section.

Sec. 317. If funds become available from the federal government for mental health courts, the state court administrative office shall assist those local trial courts who are interested in starting a mental health court in writing grants and any other assistance that may help them receive such funds.

Sec. 318. The supreme court shall assist local trial courts with feasibility studies to create child care for parents who must appear in civil or criminal courts in order to improve the administration of justice in at least the following ways:

(a) Reducing child related disruptions and delays.

(b) Protecting safety of young children brought to courthouses.

(c) Assisting with court-involved families.

(d) Reducing the incidence of failure to appear caused by the inability of witnesses to find child care.



Sec. 319. (1) From the funds appropriated for indigent civil legal assistance in part 1, a debt management loan program is created for attorneys who are employed by legal services organizations and whose total law school debt is greater than 25% of their total family income at the time of application to this program. The total law school debt shall not exceed the total amount of law school tuition, books, fees, and other costs directly related to the law school education of the applicant.

(2) To qualify for a loan, an applicant must be employed by or present a letter with a promise of employment with a legal services organization.

(3) For each dollar in state funds received by the attorney, the attorney must produce a dollar-for-dollar match, to be paid toward reduction of the total law school debt, from any other source, including funds from the attorney.

(4) An attorney may receive funds under this program for not more than the total law school debt outstanding on the date of application.

(5) The debt management loan program shall be administered by Wayne State University at no cost to the state.

(6) A legal services organization that employs an attorney who receives funds under this program shall certify the amounts of annual salary, total law school debt as of the date of initial application for the loan, and match to Wayne State University.

(7) The legislature encourages the state bar of Michigan or any other interested partners to seek additional funds for deposit into the debt management loan program fund.

(8) Unexpended funds from the debt management loan program shall not lapse but shall be carried forward for the same purpose in the subsequent year.

(9) The state court administrative office shall provide to the house and senate judiciary subcommittees on appropriations a report on this fund in accordance with section 208 of this act.

(10) As used in this section:

(a) "Legal services organization" means an organization that is eligible to receive filing fees from the state bar foundation and provides legal services to the poor in this state as its primary mission.

(b) "Total family income" means the greater of either of the following:

(i) The attorney's adjusted gross income as reported on his or her most recent federal income tax form or, if applicable, the combined adjusted gross income of the attorney and the spouse of the attorney as reported in his or her most recent federal income tax form.

(ii) The amount of annual salary commitment from the legal services organization and, if applicable, the adjusted gross income of the spouse of the attorney as reported in his or her most recent federal income tax form.

Sec. 320. The judicial branch shall work cooperatively with the family independence agency and the departments of community health and career development to coordinate and improve the delivery of mental health and substance abuse treatment and education and training services to individuals leaving the juvenile justice system, especially those who leave the juvenile justice system because of their age, who are identified as continuing to pose a serious risk to themselves or others. The judicial branch shall provide information from this collaborative effort as requested.

Sec. 321. The judicial branch shall communicate regarding information technology activities with the department of information technology.

Sec. 322. The amount appropriated in part 1 for court boundary realignment costs shall be allocated to local units of government by the state court administrative office. Local jurisdictions shall submit requests for reimbursement to the state court administrative office for programs, technology, and other costs related to the implementation of 2002 PA 92.

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2003; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Patricia Godchaux  
Jerry Kooiman  
Conferees for the House

Walter North  
Mike Goschka  
Conferees for the Senate

The question being on the adoption of the conference report,  
The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 785**

**Yeas—20**

Bennett  
Bullard

Goschka  
Gougeon

McManus  
North

Shugars  
Sikkema

DeGrow  
Dunaskiss  
Emmons

Hammerstrom  
Johnson  
McCotter

Sanborn  
Schuette  
Schwarz

Steil  
Stille  
Van Regenmorter

**Nays—15**

Byrum  
Cherry  
DeBeaussaert  
Dingell

Emerson  
Gast  
Hart  
Koivisto

Leland  
Miller  
Murphy  
Peters

Scott  
Smith  
Young

**Excused—3**

Garcia

Hoffman

Vaughn

**Not Voting—0**

In The Chair: Schwarz

**House Bill No. 5649, entitled**

A bill to make, supplement, and adjust appropriations for the department of military and veterans affairs for the fiscal years ending September 30, 2002 and September 30, 2003; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

**House Bill No. 5649, entitled**

A bill to make, supplement, and adjust appropriations for the department of military and veterans affairs for the fiscal years ending September 30, 2002 and September 30, 2003; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Recommends:

First: That the House and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:  
PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

For Fiscal Year  
Ending Sept. 30,  
2003

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	7.0	
Full-time equated classified positions .....	1,072.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 103,364,700</b>

Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		200,000
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 103,164,700</b>

Federal revenues:		
Total federal revenues .....		39,114,500

Special revenue funds:		
Total local revenues .....		0

Total private revenues .....		530,000
Total other state restricted revenues .....		23,437,600

State general fund/general purpose .....	\$	40,082,600
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**Sec. 102. HEADQUARTERS AND ARMORIES**

Full-time equated unclassified positions .....	7.0	
Full-time equated classified positions .....	140.0	
Headquarters and armories—99.5 FTE positions .....		\$ 9,706,600

Unclassified military personnel .....		660,300
Military appeals tribunal .....		900

Michigan emergency volunteers .....		5,000
State active duty .....		70,100

Challenge program—40.5 FTE positions .....		3,296,900
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>13,739,800</b>

Appropriated from:

Interdepartmental grant revenues:		
IDG, challenge grant .....		200,000

Federal revenues:		
DOD-DOA-NGB .....		3,564,500

Special revenue funds:		
Rental fees .....		350,000

Mackinac Bridge authority .....		40,000
Private donations .....		105,000

State general fund/general purpose .....	\$	9,480,300
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**Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES**

Full-time equated classified positions .....	229.0	
Military training sites and support facilities—229.0 FTE positions .....		\$ 14,930,200

Military training sites and support facilities test projects .....		100,000
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>15,030,200</b>

Appropriated from:

Federal revenues:		
DOD-DOA-NGB .....		12,140,400

Special revenue funds:		
Test project fees .....		100,000

State general fund/general purpose .....	\$	2,789,800
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**Sec. 104. DEPARTMENTWIDE APPROPRIATIONS**

Departmentwide accounts .....	\$	1,830,000
Special maintenance - state .....		401,200

Special maintenance - federal .....		4,300,000
Military retirement .....		2,500,000

Counternarcotic operations .....		50,000
Starbase grant .....		600,000
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>9,681,200</b>

Appropriated from:

Federal revenues:		
DOD-DOA-NGB .....		6,171,800

Federal counternarcotic revenues .....		50,000
State general fund/general purpose .....	\$	3,459,400

For Fiscal Year  
Ending Sept. 30,  
2003

**Sec. 105. VETERANS SERVICE ORGANIZATIONS**

American legion.....	\$	886,000
Disabled American veterans.....		732,400
Marine corps league.....		336,300
American veterans of World War II and Korea.....		464,800
Veterans of foreign wars.....		886,000
Michigan paralyzed veterans of America.....		165,700
Purple heart.....		157,900
Veterans of World War I.....		100
Polish legion of American veterans.....		41,200
Jewish veterans of America.....		41,200
State of Michigan council - Vietnam veterans of America.....		159,500
Catholic war veterans.....		41,200
GROSS APPROPRIATION.....	\$	<u>3,912,300</u>

Appropriated from:

State general fund/general purpose.....	\$	3,912,300
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**Sec. 106. GRAND RAPIDS VETERANS' HOME**

Full-time equated classified positions.....536.0

Grand Rapids veterans' home—536.0 FTE positions.....	\$	42,264,700
Board of managers.....		300,000
GROSS APPROPRIATION.....	\$	<u>42,564,700</u>

Appropriated from:

Federal revenues:

DVA-VHA.....		11,910,000
HHS-HCFA, title XIX, Medicaid.....		500,000
HHS-HCFA, Medicare, hospital insurance.....		692,900

Special revenue funds:

Private - veterans' home post and posthumous funds.....		300,000
Income and assessments.....		13,925,700
Lease revenue.....		35,000
State general fund/general purpose.....	\$	15,201,100

**Sec. 107. D.J. JACOBETTI VETERANS' HOME**

Full-time equated classified positions.....151.0

D.J. Jacobetti veterans' home—151.0 FTE positions.....	\$	12,832,800
Board of managers.....		125,000
GROSS APPROPRIATION.....	\$	<u>12,957,800</u>

Appropriated from:

Federal revenues:

DVA-VHA.....		3,356,100
HHS-HCFA, Medicare, hospital insurance.....		208,700

Special revenue funds:

Private - veterans' home post and posthumous funds.....		125,000
Income and assessments.....		4,068,800
State general fund/general purpose.....	\$	5,199,200

**Sec. 108. MICHIGAN VETERANS' TRUST FUND**

Full-time equated classified positions.....16.0

Veterans' affairs directorate administration—3.0 FTE positions.....	\$	344,200
Administration—13.0 FTE positions.....		1,030,000
Veterans' trust fund grants.....		3,746,500
GROSS APPROPRIATION.....	\$	<u>5,120,700</u>

Appropriated from:

Special revenue funds:

Michigan veterans' trust fund.....		4,776,500
State general fund/general purpose.....	\$	344,200

**Sec. 109. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	1,230,800
GROSS APPROPRIATION.....	\$	<u>1,230,800</u>

For Fiscal Year  
Ending Sept. 30,  
2003

Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	\$ 394,900
DVA-VHA .....	125,200
Special revenue funds:	
Income and assessments .....	141,600
State general fund/general purpose .....	\$ 569,100
<b>Sec. 110. EARLY RETIREMENT AND BUDGETARY SAVINGS</b>	
Early retirement savings .....	\$ (463,200)
Budgetary savings .....	(409,600)
GROSS APPROPRIATION .....	\$ (872,800)
Appropriated from:	
State general fund/general purpose .....	\$ (872,800)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$63,520,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$120,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
MILITARY TRAINING SITES AND SUPPORT FACILITIES

Payments in lieu of taxes .....	\$ 70,000
MICHIGAN VETERANS' TRUST FUND	
County counselor travel expenses .....	\$ 50,000
TOTAL .....	\$ 120,000

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

Sec. 203. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (e) "DVA" means the United States department of veterans' affairs.
- (f) "DVA-VHA" means the DVA veterans' health administration.
- (g) "FTE" means full-time equated.
- (h) "HHS" means the United States department of health and human services.
- (i) "HHS-HCFA" means the HHS health care financing administration.
- (j) "IDG" means interdepartmental grant.

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

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

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

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 207. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

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

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

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. The department shall create and retain reports for all money appropriated under part 1.

Sec. 212. (1) Of the funds appropriated in section 103 for military training sites and support facilities, there shall be established a Michigan national guard education assistance program. Disbursements to the educational assistance program shall not exceed \$2,000,000.00 without legislative approval. Under the program, a member of the national guard who is in active service and who enrolls as a full- or part-time student at a public or private state college or university may be eligible to receive up to an equivalent of 50% of the total cost of tuition not to exceed \$2,000.00, as education assistance, in any academic year.

(2) An eligible person means a member of the Michigan national guard who is in active service, as defined in section 105 of the Michigan military act, 1967 PA 150, MCL 32.505. An eligible person does not include a member of the Michigan national guard or air national guard who is absent without leave or who is under charges as described in the Michigan code of military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

(3) The department of military and veterans affairs, office of the adjutant general shall administer the education assistance program and prescribe forms and procedures to effectively carry out the education assistance program.

(4) An eligible person shall apply to the department of military and veterans affairs, office of the adjutant general for education assistance and shall provide evidence of attendance and completion of the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent. The adjutant general shall approve the application for reimbursement if the applicant meets the definition of an eligible person under subsection (2) and other criteria as established by the adjutant general.

(5) The education assistance program applies to any course of instruction that is included in an associate, undergraduate, or postgraduate degree program offered by a college or university of this state.

(6) The education assistance program applies to an eligible person notwithstanding any other educational incentive or benefit received by the eligible person under any other educational assistance program provided by any other state.

(7) An eligible person who successfully completes the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent, shall be eligible for reimbursement.

(8) The department of military and veterans affairs may use funds from the appropriated funds to administer the education assistance program.

(9) Reimbursed members who do not complete their national guard obligation shall pay the state for money received from the state for tuition. Members who fail to repay the state within the time limits established by the adjutant general shall be indebted to the state. The department shall work in conjunction with the department of treasury for inclusion in the tax intercept program for amounts due the state.

(10) A portion of the funds for the Michigan national guard education assistance program may be used by the department for the purpose of promoting the program and for encouraging those persons the department wishes to have enlist or reenlist in the Michigan national guard.

Sec. 213. The department shall consult with the house and senate appropriations subcommittees on military and veterans affairs regarding the projected closing or consolidation of any national guard armories.

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

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

#### **HEADQUARTERS AND ARMORIES**

Sec. 301. The department may charge reasonable rental and equipment usage fees for renting an armory or using the distance learning network. The fee shall include the cost of overtime compensation, insurance coverage, and any maintenance required.

Sec. 302. (1) The funds appropriated in this act for private donations to the challenge program shall be considered state restricted revenue, and unexpended funds remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward to the subsequent fiscal year.

(2) The department may charge a parent or guardian of a participant in the challenge program a fee for participating in the program if the participant is a member of a family with an income that exceeds 200% of the federal poverty guidelines as published by the United States department of health and human services. The amount charged the parent or guardian shall not exceed the per student state share cost of administering the program. The parent or guardian shall be notified of any charge to be assessed under this subsection prior to enrollment of the child in the program.

Sec. 303. (1) The department shall obtain a new appraisal to determine the fair market value of the Oak Park armory property. The results of that appraisal shall be forwarded to the city of Oak Park. For a period of 60 days following receipt of the appraisal by the city, the city of Oak Park shall have the right to purchase the armory property at a price equal to the appraised value under the appraisal obtained pursuant to this section. Any agreement regarding the sale of the property to the city of Oak Park shall comply with the provisions of section 382 of the Michigan military act, 1967 PA 150, MCL 32.782, and shall include a restriction that the city not receive any remuneration from the subsequent resale of the property to an outside party beyond the purchase price paid by the city and any reasonable expenses incurred by the city in developing the property. If the city has not formally notified the department within 60 days of its decision to purchase the property, the department shall proceed with the sale of the property under the provisions of the Michigan military act, 1967 PA 150, MCL 32.501 to 32.851. Proceeds from the sale of the property shall be deposited in the Michigan national guard armory construction fund, as provided in section 382a of the Michigan military act, 1967 PA 150, MCL 32.782a.

(2) This section is a special regulation adopted by the legislature as authorized by section 356 of the Michigan military act, 1967 PA 150, MCL 32.756 and does not amend the Michigan military act, 1967 PA 150, MCL 32.501 to 32.851.

Sec. 304. The department will partner with the family independence agency to identify youth who may be eligible for the challenge program from those youth served by family independence agency programs. Such eligible youth shall be given priority for enrollment in the program.

#### **VETERANS SERVICE ORGANIZATIONS**

Sec. 501. (1) Money appropriated in section 105 for grants to veterans service organizations shall be used only for salaries, wages, related personnel costs, training, and equipment for accredited veteran service advocacy officers and necessary support and managerial staff. Training shall be provided for service advocacy officers and shall be conducted by accredited advocacy officers.

(2) To receive a grant from the money appropriated in section 105, a veterans service organization shall meet the following eligibility requirements:

(a) Be congressionally chartered by the United States Congress.

(b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide by its rules, guidelines, and programs.

(c) Demonstrate the receipt of monetary or service support from its own organization.

(d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3).

(e) For a veterans service organization founded after September 30, 1989, be in operation and providing service to Michigan veterans for not less than 2 years before receiving an initial state grant. During this 2-year period of time, the organization shall file a listing of service work activity and an accounting of recoveries with the department, the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office on forms as prescribed by the department.

(3) A veterans service organization receiving a grant from the money appropriated in section 105 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2004, to the department by November 15, 2002, within the format as prescribed by the department to be used in the development of the budget for the fiscal year ending September 30, 2004. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2002, to the department by January 31, 2003. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2002. A veterans service organization receiving a grant from the money appropriated in section 105 shall use the forms recommended by the Michigan veterans organizations' rehabilitation and veterans service committee for filing reports required by this act. The department shall forward information required under this section to the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

#### **VETERANS' HOMES**

Sec. 601. Appropriations in this act for the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home shall not be used for any purpose other than for veterans and veterans' families.

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2003.

Sec. 603. The money appropriated in this act for the boards of managers may be expended for facility improvements, the purchase and repair of equipment and furnishings, member services, and other purposes that benefit the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home.

#### **VETERANS' TRUST FUND**

Sec. 703. (1) By April 1, 2003, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2001-2002. The report shall include information on grants provided from the emergency grant program and the veterans survivor tuition program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs.

(2) The annual report required under subsection (1) shall provide detailed information on the number of emergency grant applications denied during fiscal year 2001-2002, including an accounting of the reasons for denial. This information also shall include the number of persons denied an emergency grant because of individual ineligibility, because of insufficient funds, and because the applicant's request did not meet minimum program criteria.

(3) The annual report required under subsection (1) shall contain information on the veterans survivors tuition program, including the number of participants, where the participants attended school, payments made to each school, the average grade point and number of college credits earned by each participant, the number of participants suspended by the program, and the number of participants who earned a degree during fiscal year 2001-2002.

Sec. 704. The Michigan veterans affairs directorate administration and the Michigan veterans trust fund administration shall take steps to assist the county veterans counselors of the state to obtain training necessary for the execution of their duties.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department



of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Cameron Brown  
 John Pappageorge  
 Gretchen Whitmer  
 Conferees for the House

Philip E. Hoffman  
 Walter North  
 Conferees for the Senate

The question being on the adoption of the conference report,  
 The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 786**

**Yeas—30**

Bennett	Emmons	McCotter	Schwarz
Bullard	Goschka	McManus	Shugars
Byrum	Gougeon	Miller	Sikkema
Cherry	Hammerstrom	North	Steil
DeBeaussaert	Hart	Peters	Stille
DeGrow	Johnson	Sanborn	Van Regenmorter
Dingell	Koivisto	Schuette	Young
Dunaskiss	Leland		

**Nays—5**

Emerson	Murphy	Scott	Smith
Gast			

**Excused—3**

Garcia	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

Senator North asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator North's statement is as follows:

In the absence of Senator Hoffman, I will make comments on the conference committee report. Basically, it restores the VSO, or the veterans service organization, grants to the levels they had been receiving prior to when the Governor reduced their grants under Executive Order No. 9 of 2001 last fall. Additionally, the grant for Catholic war veterans was increased on top of that by \$27,900 to bring them up to a grant level equal to that of the Polish Legion of American Veterans and the Jewish Veterans of America, \$41,200 each. In addition, the Grand Rapids Veterans Home was held harmless; the \$5 million was restored. This does meet the targets, and I would urge concurrence in the body of the conference report.

By unanimous consent the Senate returned to the order of

**Messages from the House**

The House of Representatives returned, in accordance with the request of the Senate  
**Senate Bill No. 1232, entitled**

A bill to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 6, 7a, 212, 306, 307, 309, 312e, 312f, 319, 319b, 319c, 321, 321b, 323c, 667, 667a, 668, 669, 670, 732, 904, and 907 (MCL 257.6, 257.7a, 257.212, 257.306, 257.307, 257.309, 257.312e, 257.312f, 257.319, 257.319b, 257.319c, 257.321, 257.321b, 257.323c, 257.667, 257.667a, 257.668, 257.669, 257.670, 257.732, 257.904, and 257.907), section 6 as amended by 1992 PA 297, sections 7a and 323c as amended by 1991 PA 100, section 212 as amended by 1980 PA 398, section 306 as amended by 1999 PA 40, sections 307, 312f, 319b, and 732 as amended by 2002 PA 259, section 309 as amended by 2000 PA 456, section 312e as amended by 2000 PA 158, section 319 as amended by 2001 PA 159, section 319c as added by 1988 PA 346, section 667a as added by 200 PA 367, section 668 as amended by 1980 PA 101, section 669 as amended by 1995 PA 248, section 904 as amended by 32 2 2000 PA 77, and section 907 as amended by 2001 PA 214, and by adding sections 319g and 669a; and to repeal acts and parts of acts.

Senator Emmons moved that rule 3.311 be suspended to permit reconsideration of the vote by which the House substitute was concurred in.

The motion prevailed, a majority of the members serving voting therefor.

Senator Emmons moved to reconsider the vote by which the House substitute, as amended, was concurred in.

The motion prevailed, a majority of the members serving voting therefor.

Senator Emmons moved that Senator Gast be temporarily excused from the balance of today’s session.

The motion prevailed.

The Assistant Associate President pro tempore, Senator Miller, assumed the Chair.

The question being on concurring in the House substitute, as amended,

Senator Schwarz offered the following substitute to the substitute:

Substitute (S-3).

The substitute to the substitute was adopted.

The question being on concurring in the House substitute, as substituted,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 787**

**Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema
Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuette	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0**

**Excused—4**

Garcia

Gast

Hoffman

Vaughn

**Not Voting—0**

In The Chair: Miller

Senator Schwarz offered to amend the title to read as follows:

A bill to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 6, 7a, 212, 306, 307, 309, 312e, 312f, 319, 319b, 319c, 321, 321b, 323c, 667, 667a, 668, 669, 670, 732, 904, and 907 (MCL 257.6, 257.7a, 257.212, 257.306, 257.307, 257.309, 257.312e, 257.312f, 257.319, 257.319b, 257.319c, 257.321, 257.321b, 257.323c, 257.667, 257.667a, 257.668, 257.669, 257.670, 257.732, 257.904, and 257.907), section 6 as amended by 1992 PA 297, sections 7a and 323c as amended by 1991 PA 100, section 212 as amended by 1980 PA 398, section 306 as amended by 1999 PA 40, sections 307, 312f, and 319b as amended by 2002 PA 259, section 309 as amended by 2000 PA 456, section 312e as amended by 2000 PA 158, section 319 as amended by 2002 PA 422, section 319c as added by 1988 PA 346, section 667a as added by 2000 PA 367, section 668 as amended by 1980 PA 101, section 669 as amended by 1995 PA 248, section 732 as amended by 2002 PA 422, section 904 as amended by 2000 PA 77, and section 907 as amended by 2001 PA 214, and by adding sections 319g and 669a; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

**Senate Bill No. 1268, entitled**

A bill to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for

transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending section 18e (MCL 247.668e), as amended by 1985 PA 201.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1).

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 788**

**Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema
Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuette	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0**

**Excused—4**

Garcia	Gast	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Miller

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 1324, entitled**

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending section 806 (MCL 257.806), as amended by 2001 PA 268.

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 789**

**Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars

Byrum	Gougeon	Murphy	Sikkema
Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuette	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0**

**Excused—4**

Garcia	Gast	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Miller

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

The President pro tempore, Senator Schwarz, resumed the Chair.

**Senate Bill No. 1370, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 2 and 3 (MCL 205.92 and 205.93), section 2 as amended by 2000 PA 391 and section 3 as amended by 2002 PA 110, and by adding section 6a; and to repeal acts and parts of acts.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day, Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 790**

**Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema
Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuette	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0**

**Excused—4**

Garcia

Gast

Hoffman

Vaughn

**Not Voting—0**

In The Chair: Schwarz

Senator Emmons moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 1101, entitled**

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

(For Conference Report, see Senate Journal No. 55, p. 1649.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 1103, entitled**

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

(For Conference Report, see Senate Journal No. 55, p. 1604.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 1106, entitled**

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

(For Conference Report, see Senate Journal No. 55, p. 1592.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 1359, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending sections 25a and 36a (MCL 791.225a and 791.236a), section 25a as added by 1993 PA 184 and section 36a as amended by 1993 PA 346.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Senator Emmons moved that the bill be given immediate effect.  
 The motion prevailed, 2/3 of the members serving voting therefor.  
 The Senate agreed to the full title.  
 The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

By unanimous consent the Senate proceeded to the order of  
**General Orders**

Senator Emmons moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator DeBeaussaert as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 6002, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," (MCL 205.51 to 205.78) by adding section 5b. Substitute (S-4).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of  
**Third Reading of Bills**

Senator Emmons moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage:

**House Bill No. 6002**

The motion prevailed, a majority of the members serving voting therefor.

Senator Emmons moved that the following bills be placed at the head of the Third Reading of Bills calendar:

**House Bill No. 5637**

**House Bill No. 4080**

**House Bill No. 4414**

**House Bill No. 4990**

**House Bill No. 4991**

**House Bill No. 6066**

**House Bill No. 4719**

**House Bill No. 5896**

**House Bill No. 6002**

The motion prevailed.

The following bill was read a third time:

**House Bill No. 5637, entitled**

A bill to amend 2001 PA 142, entitled "Michigan memorial highway act," (MCL 250.1001 to 250.1100) by adding section 85.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 791**

**Yeas—34**

Bennett  
 Bullard  
 Byrum

Emmons  
 Goschka  
 Gougeon

McManus  
 Miller  
 Murphy

Scott  
 Shugars  
 Sikkema

Cherry  
DeBeaussaert  
DeGrow  
Dingell  
Dunaskiss  
Emerson

Hammerstrom  
Hart  
Johnson  
Koivisto  
Leland  
McCotter

North  
Peters  
Sanborn  
Schuette  
Schwarz

Smith  
Steil  
Stille  
Van Regenmorter  
Young

**Nays—0**

**Excused—4**

Garcia

Gast

Hoffman

Vaughn

**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4080, entitled**

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” by amending section 540e (MCL 750.540e), as amended by 1988 PA 395.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 792**

**Yeas—34**

Bennett  
Bullard  
Byrum  
Cherry  
DeBeaussaert  
DeGrow  
Dingell  
Dunaskiss  
Emerson

Emmons  
Goschka  
Gougeon  
Hammerstrom  
Hart  
Johnson  
Koivisto  
Leland  
McCotter

McManus  
Miller  
Murphy  
North  
Peters  
Sanborn  
Schuette  
Schwarz

Scott  
Shugars  
Sikkema  
Smith  
Steil  
Stille  
Van Regenmorter  
Young

**Nays—0**

**Excused—4**

Garcia

Gast

Hoffman

Vaughn



**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise, consolidate, codify and add to the statutes relating to crimes; to define crimes and prescribe the penalties therefor; to provide for restitution under certain circumstances; to provide for the competency of evidence at the trial of persons accused of crime; to provide immunity from prosecution for certain witnesses appearing at such trials; and to repeal certain acts and parts of acts inconsistent with or contravening any of the provisions of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4414, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending sections 859, 1053, and 1059 (MCL 380.859, 380.1053, and 380.1059), section 1053 as amended by 1993 PA 9 and section 1059 as amended by 1992 PA 263.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 793****Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema
Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuette	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0****Excused—4**

Garcia	Gast	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, and intermediate school districts; to prescribe rights,

powers, duties, and privileges of schools, school districts, public school academies, and intermediate school districts; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4990, entitled**

A bill to amend 1964 PA 287, entitled “An act to provide for the organization and functions of the state boards of education under the constitutions of 1908 and 1963; to provide for the appointment and functions of the superintendent of public instruction under the constitution of 1963; and to repeal certain acts and parts of acts,” by amending section 9a (MCL 388.1009a), as amended by 1983 PA 240.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 794**

**Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema
Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuette	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0**

**Excused—4**

Garcia	Gast	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 4991, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending section 1303 (MCL 380.1303), as amended by 1995 PA 289.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 795****Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema
Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuette	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0****Excused—4**

Garcia	Gast	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, and intermediate school districts; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 6066, entitled**

A bill to amend 2001 PA 63, entitled “History, arts, and libraries act,” by amending sections 2 and 21 (MCL 399.702 and 399.721) and by adding sections 7 and 22.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 796****Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema

Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuetter	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0**

**Excused—4**

Garcia	Gast	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to create a department of history, arts, and libraries; to provide for its administration; and to provide for its powers, duties, functions, and responsibilities.”

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4719, entitled**

A bill to amend 1978 PA 368, entitled “Public health code,” by amending section 12541 (MCL 333.12541).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 797**

**Yeas—34**

Bennett	Emmons	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema
Cherry	Hammerstrom	North	Smith
DeBeaussaert	Hart	Peters	Steil
DeGrow	Johnson	Sanborn	Stille
Dingell	Koivisto	Schuetter	Van Regenmorter
Dunaskiss	Leland	Schwarz	Young
Emerson	McCotter		

**Nays—0**

**Excused—4**

Garcia	Gast	Hoffman	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

Senator Emmons moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5896, entitled**

A bill to amend 1986 PA 281, entitled “The local development financing act,” by amending section 12a (MCL 125.2162a), as added by 2000 PA 248.

The question being on the passage of the bill,

Senator Stille offered the following amendment:

1. Amend page 7, following line 19, by inserting:

“(12) THIS STATE SHALL REIMBURSE INTERMEDIATE SCHOOL DISTRICTS EACH YEAR FOR ALL TAX REVENUE LOST THAT WAS CAPTURED BY AN AUTHORITY FOR A CERTIFIED TECHNOLOGY PARK DESIGNATED BY THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION UNDER SUBSECTION (8) OR (9) AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.

(13) THIS STATE SHALL REIMBURSE LOCAL SCHOOL DISTRICTS EACH YEAR FOR ALL TAX REVENUE LOST THAT WAS CAPTURED BY AN AUTHORITY FOR A CERTIFIED TECHNOLOGY PARK DESIGNATED BY THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION UNDER SUBSECTION (8) OR (9) AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.

(14) THIS STATE SHALL REIMBURSE THE SCHOOL AID FUND FROM FUNDS OTHER THAN THOSE APPROPRIATED IN SECTION 11 OF THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1611, FOR AN AMOUNT EQUAL TO THE REIMBURSEMENT CALCULATIONS UNDER SUBSECTIONS (12) AND (13) AND FOR ALL REVENUE LOST THAT WAS CAPTURED BY AN AUTHORITY FOR A CERTIFIED TECHNOLOGY PARK DESIGNATED BY THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION UNDER SUBSECTION (8) OR (9) AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION. FOUNDATION ALLOWANCES CALCULATED UNDER SECTION 20 OF THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1620, SHALL NOT BE REDUCED AS A RESULT OF TAX REVENUE LOST THAT WAS CAPTURED BY AN AUTHORITY FOR A CERTIFIED TECHNOLOGY PARK DESIGNATED BY THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION UNDER SUBSECTION (8) OR (9) AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.”.

The amendment was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 798**

**Yeas—25**

Bennett  
Bullard

Gougeon  
Hammerstrom

McManus  
Miller

Schwarz  
Shugars

Byrum	Johnson	North	Sikkema
Cherry	Koivisto	Peters	Steil
DeGrow	Leland	Sanborn	Stille
Dingell	McCotter	Schuetter	Van Regenmorter
Goschka			

**Nays—6**

DeBeaussaert	Murphy	Smith	Young
Emmons	Scott		

**Excused—4**

Garcia	Gast	Hoffman	Vaughn
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**Not Voting—3**

Dunaskiss	Emerson	Hart
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In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to encourage local development to prevent conditions of unemployment and promote economic growth; to provide for the establishment of local development finance authorities and to prescribe their powers and duties; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to provide for the creation and implementation of development plans; to authorize the acquisition and disposal of interests in real and personal property; to permit the issuance of bonds and other evidences of indebtedness by an authority; to prescribe powers and duties of certain public entities and state officers and agencies; to reimburse authorities for certain losses of tax increment revenues; and to authorize and permit the use of tax increment financing.”

The Senate agreed to the full title.

**Protests**

Senators Smith, Scott and Young, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5896.

Senator Smith’s statement, in which Senators Scott and Young concurred, is as follows:

I voted “no” on this piece of legislation for a couple of reasons. The first one is the creation of five new SMART zones, four of which have not been identified, and the identification of the remaining four would be left to the Michigan Economic Development Corporation. I think that’s a lot of latitude to be giving MEDC at this point in time when we don’t have oversight. Well, we have oversight, but we have no control over the amount of revenue that the state will lose.

The second reason is that even though we have held the school districts harmless, the projected cost to the school districts which have now been shifted to the General Fund by 2007 as \$1.6 million, that has to come from somewhere, and in the current budget plight we are facing, that money is going to be coming from probably the Department of Community Health, higher education, community colleges, or corrections. Those are budgets that are already seeing extreme cuts. And then, as if we weren’t doing enough harm to the local units of government with the revenue sharing reductions, the first year reduction to local units could be \$2.2 million, and by 2007, that would increase to \$14.3 million at a time when we are asking local communities to take on more responsibility for state and federal government causes.

Therefore, I voted “no” on the bill, and I appreciate the support I got from some of my colleagues.  
Senator Gast entered the Senate Chamber.

The following bill was read a third time:

**House Bill No. 6002, entitled**

A bill to amend 1933 PA 167, entitled “General sales tax act,” (MCL 205.51 to 205.78) by adding section 5b; and to repeal acts and parts of acts.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 799**

**Yeas—34**

Bennett	Gast	McManus	Scott
Bullard	Goschka	Miller	Shugars
Byrum	Gougeon	Murphy	Sikkema
DeBeaussaert	Hammerstrom	North	Smith
DeGrow	Hart	Peters	Steil
Dingell	Johnson	Sanborn	Stille
Dunaskiss	Koivisto	Schuette	Van Regenmorter
Emerson	Leland	Schwarz	Young
Emmons	McCotter		

**Nays—0**

**Excused—3**

Garcia	Hoffman	Vaughn
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**Not Voting—1**

Cherry

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act.”

The Senate agreed to the full title.

Senator Emmons moved to reconsider the vote by which immediate effect was given to the following bill:

**House Bill No. 4719**

The motion prevailed.

The question being on the motion to give the bill immediate effect,

The motion did not prevail, 2/3 of the members serving not voting therefor.

By unanimous consent the Senate proceeded to the order of  
**Resolutions**

Senator McCotter offered the following resolution:

**Senate Resolution No. 241.**

A resolution calling upon the United States Supreme Court to overturn a decision of the 9th U.S. Circuit Court of Appeals banning recital of the *Pledge of Allegiance* in public schools.

Whereas, The 9th U.S. Circuit Court of Appeals ruled it is unconstitutional to recite the *Pledge of Allegiance* in a public school; and

Whereas, The *Pledge of Allegiance* is not an oath or pledge of allegiance to a person, power, or potentate but to the principles that serve as the foundation of a free republic; and

Whereas, The *Pledge of Allegiance* is not an oath or pledge to any god, deity, or spirit, but rather it recognizes that those who govern do not receive their authority from a monarch. Instead, a god, deity, or spirit has bestowed on every citizen of the United States of America the inherent worth and dignity embodied in and protected by the Constitution and the Bill of Rights of the United States of America; and

Whereas, The *Pledge of Allegiance* recognizes that we are one nation of diverse and unique peoples within fifty separate states undivided in our dedication to the principles of freedom, liberty, and justice; and

Whereas, The *Pledge of Allegiance* reiterates the guarantees of liberty and justice mandated by the Bill of Rights; and

Whereas, The flag of the United States of America is a representation of the rights guaranteed by the Constitution and the Bill of Rights, as well as the free people who willingly sacrificed their lives and their freedoms to protect and preserve those freedoms; and

Whereas, The *Pledge of Allegiance* teaches students to cherish, preserve, and protect the republic dedicated to the preservation of freedom, liberty, and justice; now, therefore, be it

Resolved by the Senate, That the people of the state of Michigan, acting through the Senate, do hereby call upon the United States Supreme Court to overturn the 9th U.S. Circuit Court of Appeals decision to ban the recital of the *Pledge of Allegiance* in public schools; and be it further

Resolved, That copies of this resolution be transmitted to the justices of the United States Supreme Court, the President of the United States, and the members of the Congress of the United States.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations,

Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The resolution was adopted.

Senator Emmons moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the resolution.

The motion prevailed, a majority of the members serving voting therefor.

**Senate Concurrent Resolution No. 53**

A concurrent resolution to memorialize the Congress of the United States to turn over the management of federal forest lands to the states through a block grant program along with all appropriate accompanying federal funds.

(For text of resolution, see Senate Journal No.16, p. 398.)

The House of Representatives has adopted the concurrent resolution.

The concurrent resolution was referred to the Secretary for record.

By unanimous consent the Senate proceeded to the order of  
**Statements**

Senators Emmons, Smith and Scott asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Emmons' statement is as follows:

I think this is a particularly important resolution today. There seems to be a great misunderstanding of what our pledge of allegiance does and the words that are in it. The assumptions that are made are absolutely wrong. We have a wonderful country that we should pledge allegiance to, should support, and I think in these few words, we express it very well. The 9th District federal court is wrong—they're just flat-out wrong—and it will take another court to overturn it. But they will overturn it because the sentiment of this country is very strong now, that we need to support not only the men and women who are in the armed forces and are fighting right now, but the men and women who have been there and who have given their lives for this great country of ours.



Senator Smith's statement is as follows:

When I was absent from the floor last Wednesday, I understand the Majority Leader decided to point out to me personally that we were going to pass the cigarette tax. I'm still waiting, Mr. President.

Senator Scott's statement is as follows:

Today is AIDS Day, and I was hoping my staff would have gotten my bill over here before now. I don't have the bill number with me, but I have a bill that is dealing with prisoners, upon their release, that they would be tested for AIDS. Because today is AIDS Day, I'd like to talk about this bill. What my bill would do is to make sure that anyone released from prison would be tested for AIDS. There were some staggering reports that I heard this morning that black women, although we only constitute 19 percent of the population as blacks in America, we are the largest number now dealing with AIDS. I would hope that my bill would soon be taken up from committee—it is in committee now—so that we can deal with these issues. People live longer now with AIDS, but these medicines are very costly, and I would hope that we would try preventing more women and men from getting AIDS.

Senator Scott stated that had she been present when the vote was taken on Tuesday, June 18 on concurring in the House substitute, as amended to the following bill, she would have voted "nay":

**Senate Bill No. 1102**

Senator Scott stated that had she been present when the votes were taken on Tuesday, June 18 on the passage of the following bills, she would have voted "yea":

**Senate Bill No. 5805**

**Senate Bill No. 5365**

**Senate Bill No. 5806**

**Senate Bill No. 5804**

### Recess

Senator Emmons moved that the Senate recess until 1:00 p.m.  
The motion prevailed, the time being 11:57 a.m.

The Senate reconvened at the expiration of the recess and pursuant to rule 1.101, in the absence of the Presiding Officers, the Senate was called to order by the Secretary of the Senate.

### Recess

Senator Van Regenmorter moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 1:01 p.m.

3:20 p.m.

The Senate was called to order by the President pro tempore, Senator Schwarz.

Senator Emmons moved that Senators Steil and Schuette be excused from the balance of today's session.  
The motion prevailed.

By unanimous consent the Senate returned to the order of

### Conference Reports

Senator Emmons moved that joint rule 9 be suspended to permit immediate consideration of the conference report relative to the following bill:

**House Bill No. 5645**

The motion prevailed, a majority of the members serving voting therefor.

**House Bill No. 5645, entitled**

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The House of Representatives has adopted the report of the second Committee of Conference.

The second Conference Report was read as follows:

**SECOND CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

**House Bill No. 5645, entitled**

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Recommends:

First: That the House and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:****PART 1****LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**FAMILY INDEPENDENCE AGENCY**

Full-time equated classified positions.....	12,495.1	
Full-time equated unclassified positions .....	6.0	
Total full-time equated positions .....	12,501.1	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 4,071,412,900</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		\$ 978,800
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 4,070,434,100</b>
Federal revenues:		
Total federal revenues .....		2,754,816,050
Special revenue funds:		
Total private revenues .....		9,856,850
Total local revenues .....		67,150,000
Total other state restricted revenues .....		65,388,800
State general fund/general purpose .....		\$ 1,173,222,400

**Sec. 102. EXECUTIVE OPERATIONS**

Total full-time equated positions.....	589.8	
Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	583.8	
Unclassified salaries—6.0 FTE positions .....		\$ 505,800
Salaries and wages—432.8 FTE positions.....		22,720,100
Contractual services, supplies, and materials .....		8,293,300
Demonstration projects—13.0 FTE positions .....		8,938,100
Child support distribution computer system—8.0 FTE positions .....		17,155,600
Supplemental security income advocates, salaries and wages—16.0 FTE positions .....		1,050,800

	For Fiscal Year Ending Sept. 30, 2003
Commission on disability concerns—8.0 FTE positions .....	\$ 956,900
Commission for the blind—106.0 FTE positions .....	18,036,300
Youth low vision program .....	260,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 77,916,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 77,916,900</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	51,097,800
Special revenue funds:	
Total private revenues .....	1,340,000
Total local revenues .....	275,000
Total other state restricted revenues .....	477,300
State general fund/general purpose .....	\$ 24,726,800
<b>Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION</b>	
Full-time equated classified positions .....	437.5
Salaries and wages—301.5 FTE positions.....	\$ 15,181,000
Contractual services, supplies, and materials .....	19,198,500
Child support incentive payments .....	32,409,600
Legal support contracts .....	135,896,400
Employment and training support services.....	14,851,700
Project Zero—84.0 FTE positions.....	12,132,500
Wage employment verification reporting—2.0 FTE positions .....	2,170,200
Urban and rural empowerment/enterprise zones.....	100
Training and staff development—50.0 FTE positions .....	9,881,200
Community services block grants .....	24,350,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 266,071,200</b>
Appropriated from:	
Interdepartmental grant revenues:	
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 266,071,200</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	244,534,200
Special revenue funds:	
Total local revenues .....	340,000
State general fund/general purpose .....	\$ 21,197,000
<b>Sec. 104. CHILD AND FAMILY SERVICES</b>	
Full-time equated classified positions .....	105.3
Salaries and wages—45.3 FTE positions .....	\$ 2,836,800
Contractual services, supplies, and materials .....	1,657,500
Refugee assistance program—4.0 FTE positions .....	12,705,900
Foster care payments .....	151,378,900
Wayne County foster care payments .....	96,412,500
Adoption subsidies.....	204,952,800
Adoption support services—9.0 FTE positions .....	14,600,400
Youth in transition—10.0 FTE positions .....	13,353,500
Interstate compact .....	300,000
Children’s benefit fund donations .....	21,000
Domestic violence prevention and treatment—6.0 FTE positions .....	13,149,000
Teenage parent counseling—4.0 FTE positions.....	4,426,700
Family preservation and prevention services—20.0 FTE positions .....	77,754,500
Black child and family institute .....	100,000
Rape prevention and services .....	2,600,000
Children’s trust fund administration—7.0 FTE positions .....	495,000
Children’s trust fund grants.....	3,615,000

	For Fiscal Year Ending Sept. 30, 2003
Attorney general contract.....	\$ 2,481,000
Guardian contract.....	600,000
Prosecuting attorney contracts .....	1,061,700
GROSS APPROPRIATION .....	\$ 604,502,200
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION .....	\$ 604,502,200
Appropriated from:	
Federal revenues:	
Total federal revenues .....	361,892,500
Special revenue funds:	
Private-children's benefit fund donations .....	21,000
Private-collections.....	5,054,600
Local funds - county payback .....	35,111,300
Children's trust fund .....	3,306,900
State general fund/general purpose .....	\$ 199,115,900
<b>Sec. 105. JUVENILE JUSTICE SERVICES</b>	
Full-time equated classified positions .....	960.1
Child care fund .....	\$ 139,500,000
Child care fund administration—7.5 FTE positions .....	884,000
Juvenile justice operations—932.6 FTE positions .....	82,215,700
Federally funded activities—12.0 FTE positions.....	1,865,200
W.J. Maxey memorial fund .....	45,000
Juvenile accountability incentive block grant—4.0 FTE positions .....	8,436,200
Juvenile boot camp program .....	1,600,000
Committee on juvenile justice administration—4.0 FTE positions.....	464,800
Committee on juvenile justice grants .....	5,000,000
GROSS APPROPRIATION .....	\$ 240,010,900
Appropriated from:	
Federal revenues:	
Total federal revenues .....	35,553,500
Special revenue funds:	
Total private revenues .....	645,000
Local funds - county payback .....	30,668,600
State general fund/general purpose .....	\$ 173,143,800
<b>Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS</b>	
Full-time equated classified positions .....	9,778.4
Field staff, salaries and wages—9,627.9 FTE positions .....	\$ 401,875,600
Contractual services, supplies, and materials .....	27,936,400
Outstationed eligibility workers—60.0 FTE positions.....	5,392,500
Food stamp reinvestment.....	5,700,000
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement—90.5 FTE positions.....	7,455,300
GROSS APPROPRIATION .....	\$ 448,459,800
Appropriated from:	
Federal revenues:	
Total federal revenues .....	283,245,050
Special revenue funds:	
Local funds - donated funds.....	193,100
Private funds - Wayne County gifts.....	100,000
Private funds - hospital contributions.....	2,696,250
State general fund/general purpose .....	\$ 162,225,400
<b>Sec. 107. DISABILITY DETERMINATION SERVICES</b>	
Full-time equated classified positions .....	620.0
Disability determination operations—594.0 FTE positions .....	\$ 69,460,300
Medical consultation program—21.0 FTE positions .....	3,083,700
Retirement disability determination—5.0 FTE positions.....	828,800
GROSS APPROPRIATION .....	\$ 73,372,800

For Fiscal Year  
Ending Sept. 30,  
2003

Appropriated from:	
Interdepartmental grant revenues:	
Department of management and budget - office of retirement systems .....	\$ 828,800
ADJUSTED GROSS APPROPRIATION .....	\$ 72,544,000
Federal revenues:	
Total federal revenues .....	69,466,000
State general fund/general purpose .....	\$ 3,078,000
<b>Sec. 108. CENTRAL SUPPORT ACCOUNTS</b>	
Rent .....	\$ 45,802,900
Occupancy charge .....	11,399,300
Grand tower facility reimbursement .....	2,150,000
Travel .....	7,189,100
Equipment .....	1,087,400
Worker's compensation .....	5,391,600
Advisory commissions .....	17,900
Payroll taxes and fringe benefits .....	179,687,900
GROSS APPROPRIATION .....	\$ 252,726,100
Appropriated from:	
Federal revenues:	
Total federal revenues .....	161,702,800
Special revenue funds:	
Local funds - county payback .....	304,400
State general fund/general purpose .....	\$ 90,718,900
<b>Sec. 109. PUBLIC ASSISTANCE</b>	
Full-time equated classified positions .....	10.0
Family independence program .....	\$ 376,339,600
Transitional work support .....	5,000,000
State disability assistance payments .....	22,139,900
Food assistance program benefits .....	833,011,200
State supplementation .....	59,038,000
State supplementation administration .....	2,624,300
Homestead property tax credit for low-income families .....	50,000,000
Low-income energy assistance program—10.0 FTE positions .....	86,003,600
State emergency relief .....	45,187,100
Weatherization assistance .....	10,900,000
Day care services .....	466,910,000
GROSS APPROPRIATION .....	\$ 1,957,153,700
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION .....	\$ 1,957,153,700
Appropriated from:	
Federal revenues:	
Total federal revenues .....	1,422,469,900
Special revenue funds:	
Child support collections .....	48,149,300
Supplemental security income recoveries .....	5,104,800
Public assistance recoupment revenue .....	2,300,000
State general fund/general purpose .....	\$ 479,129,700
<b>Sec. 110. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 60,494,400
Child support automation .....	90,571,000
Client services system .....	12,721,200
Data system enhancement .....	22,040,900
GROSS APPROPRIATION .....	\$ 185,827,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from ADP .....	150,000
ADJUSTED GROSS APPROPRIATION .....	\$ 185,677,500

For Fiscal Year  
Ending Sept. 30,  
2003

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ 124,854,300
Local funds .....	257,600
Total private revenues .....	0
Total other state restricted revenues .....	6,050,500
State general fund/general purpose .....	\$ 54,515,100
<b>Sec. 111. EARLY RETIREMENT AND BUDGETARY SAVINGS</b>	
Early retirement savings .....	\$ (21,301,700)
Budgetary savings .....	(8,726,500)
Administrative budgetary savings .....	(4,600,000)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (34,628,200)</b>
Appropriated from:	
Interdepartmental grant revenues:	
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ (34,628,200)</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (34,628,200)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$1,238,611,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$207,056,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY  
CHILD AND FAMILY SERVICES

Adoption subsidies.....	\$ 79,224,300
JUVENILE JUSTICE SERVICES	
Child care fund. ....	123,700,000
County juvenile officers .....	2,973,200
PUBLIC ASSISTANCE	
State disability program .....	1,158,700
<b>TOTAL.....</b>	<b>\$ 207,056,200</b>

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

Sec. 203. As used in this act:

- (a) "ADP" means automated data processing.
- (b) "Department" means the family independence agency.
- (c) "DMB" means the department of management and budget.
- (d) "FTE" means full-time equated.
- (e) "IDG" means interdepartmental grant.
- (f) "Temporary assistance for needy families" or "TANF" or "Title IV-A" means part A of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.
- (g) "Title IV-D" means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and 663 to 669b.
- (h) "Title IV-E" means part E of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and 679b.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant

state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from one position to another within a department.

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

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

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

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

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

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. The department may receive and expend advances or reimbursements from the department of state police for the administration of the individual and family grant disaster assistance program. An account shall be established in the department for this purpose when a disaster is declared. The authorization and allotment for the account shall be in the amount advanced or reimbursed from the department of state police.

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

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

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

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

(f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and to the senate and house fiscal agencies on the details of allocations within program budgeting line items and within the salaries and wages line items in the field services appropriation unit. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2003.

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

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies of that fact. Upon receipt of the notification, a joint house and senate committee made up of the members of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency may be appointed to meet with the director of the department to review the substantive, procedural, and legal ramifications of the legislative objective and to develop a plan to attain that legislative objective.

Sec. 218. (1) The department shall prepare a semiannual report on the temporary assistance for needy families (TANF) federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies, and policy offices on or before January 15, 2003 and May 15, 2003.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the family independence agency and to the house and senate fiscal agencies of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated.

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

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

(3) Notwithstanding subsections (1) and (2), the department shall cooperate with faith-based organizations so that they are able to compete on the same basis as any other private organization for contracts to provide services to recipients of department services, including, but not limited to, mentoring or supportive services. The department shall not discriminate against an organization that applies to become a contractor on the basis that the organization has a religious character.

(4) The department shall follow guidelines related to faith-based involvement established in section 104 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 42 U.S.C. 604a.

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

Sec. 223. (1) The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

(2) The family independence agency shall analyze the efficacy of centralized monthly processing of Medicaid spend-down paperwork for clients whose monthly income amount is stable. The department shall present the findings of the analysis to the senate and house appropriations subcommittees on the family independence agency, during budget deliberations, and distribute the findings to the senate and house standing committees on human services matters, senate and house fiscal agencies, and policy offices.

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



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

(2) By October 15, 2002, the family independence agency shall report on the interagency agreement with the department of information technology to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

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

(3) Individual projects within the interagency agreement with a cost of \$500,000.00 or greater must be reported to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices.

(4) As used in this section, "base services" means all services to be supplied by the department of information technology that are to be purchased by the family independence agency under the provisions of the interagency agreement.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. The department shall consult with the house and senate appropriations subcommittees on the family independence agency regarding the planned restructuring of local offices in response to 2002 PA 93. Issues to be covered shall include service delivery structure, facility needs, and administrative support. Any plan presented shall ensure that the department provides a presence and services in every county.

Sec. 263. The department shall replace all foster care workers and child protection services workers who take an early retirement on a 1-to-1 ratio.

Sec. 264. Provided that an employee does not violate federal or state laws, breach confidentiality, violate civil service rules, or represent a formal department position without prior written authorization, the family independence agency shall ensure that all department employees, while on their personal time, are permitted to have appropriate communications with legislators and their staff.

Sec. 265. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 268. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

- (a) \$600,000.00 is appropriated to multicultural assimilation programs from the state general fund.
- (b) \$4,600,000.00 is appropriated to administrative budgetary savings from the state general fund.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

(3) Appropriation authorization adjustments required due to negative appropriations for administrative budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

### **EXECUTIVE OPERATIONS**

Sec. 301. (1) The department may distribute cash assistance to recipients electronically by using debit cards.

(2) The department shall appropriate up to \$4,300,000.00 for the annual school clothing allowance. The allowance shall be granted to all eligible children 4 to 18 years of age. The department shall encourage all recipients of the annual school clothing allowance to consider using that allowance at consignment stores or other stores that provide discounts to program recipients.

Sec. 302. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2002.

Sec. 303. The appropriation in part 1 for commissions and boards may be used for per diem payments to members of commissions or boards for a full day of committee work at which a quorum is present for performing official

business as authorized by each respective commission or board. The per diem payment for the Michigan commission for the blind shall be at a rate of \$50.00 per day.

#### **FAMILY INDEPENDENCE SERVICES ADMINISTRATION**

Sec. 401. (1) From the federal money received for child support incentive payments, up to \$10,415,700.00 shall be retained by the state and expended for legal support contracts and child support program expenses.

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the state court administrative office and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 2000, the amount in excess for the fiscal year 2000 payment shall be apportioned to the counties and the state in the same proportion as the base amount.

(3) At the end of the current fiscal year, the department may, when it is cost beneficial to the state and counties, withhold from submitting to the federal office of child support administrative expenses eligible for federal financial participation. The department may recoup earned but unclaimed federal funds from the resulting increased federal child support incentive. The recoupment by the department shall be made prior to distribution of the increased incentive to the counties. Any incentive funds retained by the state under this section shall be separate and apart from incentive funds retained in any other section of this act.

(4) A county shall not be penalized due to the failure to comply with federal child support enforcement system requirements if the department determines that all of the following conditions are met:

(a) The county, friend of the court, and the department have a written agreement that outlines the county's commitment to participate in the system.

(b) The county and the friend of the court are fully and timely cooperating with the work plan outlined in the child support enforcement memorandum of understanding between the department and the county.

(c) The county and the friend of the court are implementing the child support enforcement system required for federal certification.

(d) The friend of the court and county prosecuting attorney's office use the statewide system upon availability to monitor and process title IV-D cases.

(5) In addition to the amount specified in subsection (1), the family independence agency may retain any federal title IV-D incentive payment revenues withheld from counties pursuant to the imposition of financial penalties, and may use the federal revenues retained for any child support program purpose.

Sec. 403. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2002, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Sec. 407. From the funds appropriated in part 1 for family preservation and prevention services, the family independence agency shall contract with Created for Caring for \$150,000.00 in TANF funds allowable services. The department is authorized to make allocations of TANF funds only to the agency if that agency reports necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 412. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 C.F.R. 304.50.

Sec. 413. (1) In addition to the funds appropriated in part 1, there is hereby appropriated up to \$28,785,700.00. This appropriation is contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system and upon certification from the state budget director that the funds are available for expenditure. Of this amount, up to: \$2,700,000.00 may be used to continue before- or after-school programs; \$8,785,700.00 may be used for the child support enforcement system; \$4,300,000.00 may be used for the family independence program school clothing allowance; \$650,000.00 may be used to supplement community services block grant funding for community action agencies; \$500,000.00 may be used to support a fatherhood initiative; \$4,300,000.00 may be used for family independence program caseload, state disability assistance, and child care fund costs; \$250,000.00 may be used to fund the food bank council; \$50,000.00 may be used to support the Michigan

marriage and fatherhood commission; \$3,000,000.00 may be used to fund the transitional work support program; \$150,000.00 may be used for the northern Michigan Miracle Manor, an addiction treatment and rehabilitation services program for homeless women with dependent children; \$250,000.00 may be used for establishment or enhancement of domestic violence supervised parenting time centers; \$150,000.00 may be used for 3 emergency homeless shelter case management pilot programs; \$100,000.00 may be used for a Medicaid spend-down analysis; \$600,000.00 may be used for multicultural assimilation programs; and \$3,000,000.00 may be used for contracts, services, supplies, and materials.

(2) The funds appropriated in subsection (1) shall be considered 1-time authority.

Sec. 414. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) From the funds appropriated in part 1 for community services block grants, the department is authorized to make allocations of TANF funds only to the community action agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 415. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency shall expend up to \$500,000.00 in TANF to fund a fatherhood initiative. The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support. Program components may include, but are not limited to, parental guidance, infant care, food preparation, effective communication, anger management, children's financial support, respect, drug-free lifestyle, and referrals to employment services.

(2) The providers will measure outcomes as agreed upon by the department and based on required TANF reporting guidelines.

(3) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 416. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency may expend up to \$250,000.00 in TANF to fund a marriage initiative. The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(2) The providers will measure outcomes as agreed upon by the department and based on required TANF reporting guidelines.

(3) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(4) The department shall choose only providers who are licensed through the department of consumer and industry services and who meet the standards of the public health code, 1978 PA 368, MCL 333.1101 to 333.25211.

#### **CHILD AND FAMILY SERVICES**

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2003, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

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

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

(a) Has not yet graduated from high school or passed a high school equivalency examination.

(b) Is making progress toward completing high school.

(c) Has not yet reached his or her twenty-first birthday.

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

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

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

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

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

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

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

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

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

Sec. 512. From the funds appropriated in part 1 for foster care payments, the department may expend up to \$1,500,000.00 for foster care pilot projects that include ways to increase foster parent recruitment, improve foster parent retention, and increase delivery of training and supportive services to foster parents.

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

(a) There is no appropriate placement available in this state.

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

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

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

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices, by January 1, 2003, that shall include all of the following:

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

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

(ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity.

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

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

Sec. 515. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E child welfare waiver managed care demonstration project.

Sec. 517. (1) From the funds appropriated in part 1 for family preservation and prevention services, the department is authorized to allocate funds to multipurpose collaborative bodies to address issues raised in the Binsfeld children's commission report issued in July 1996. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) From the funds appropriated in part 1 for family preservation and prevention services, up to \$4,000,000.00 may be used to fund community-based collaborative prevention services designed to do any of the following:

(a) Foster positive parenting skills especially for parents of children under 3 years of age.

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

(d) Increase local capacity to serve families at risk.

(e) Improve school readiness.

(f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's pre-application materials for fiscal year 2002-2003 direct services grants.

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

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

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

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

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

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

Sec. 518. (1) The funds appropriated in part 1 for family preservation and prevention services in the 2002-2003 fiscal year reflect strong families/safe children allocations to local multipurpose collaborative bodies that are no less than the allocations in effect on April 1, 1997. The department shall work with the multipurpose collaborative bodies to address high out-of-home placement rates and through collaboration arrange a reward plan, penalty plan, or both, to achieve less child out-of-home placements, including placements for adjudicated youth in residential treatment programs.

(2) In order to maintain this level of funding, the department may use up to \$8,000,000.00 in TANF funds provided that the local multipurpose collaborative bodies submit data to the department that will enable the department to document potential federal claimable expenditures.

(3) No later than March 1, 2003, each local multipurpose collaborative body shall submit a report to the department that includes the number of people receiving strong families/safe children services, including services to adjudicated youth and their families, the local goals for this program, and a measure of the effectiveness in meeting these goals.

(4) The department shall provide during budget deliberation hearings the compilation of reports from the multipurpose collaborative bodies outlined in subsection (3).

Sec. 519. From the funds appropriated in part 1 for foster care payments, Wayne County foster care payments, and adoption support services, the department shall increase the rate of payments for child placing agencies and residential treatment facilities by 1% effective April 1, 2003. The rate increase may be used to support foster and adoptive parent resource centers.

Sec. 520. It is the intent of the legislature that the funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2003, reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

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

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

(i) The number of teen participants having fewer repeat pregnancies.

(ii) The completion rate for high school diplomas or GEDs.

(iii) The teen participants' rate of self-sufficiency.

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

(i) Adult supervised, supportive living arrangements.

(ii) Pregnancy prevention services or referrals.

(iii) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.

(iv) Support services, including, but not limited to, health care, transportation, and counseling.

(v) Parenting and life-skills training.

(vi) Education, job training, and employment services.

(vii) Transition services in order to achieve self-sufficiency.

(viii) Instruction on self-protection.

Sec. 524. The department shall submit to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, the senate and house fiscal agencies, and the senate and house policy offices an annual report, beginning April 2, 2002, detailing the status of the prevention services program.

Sec. 530. Of funds available for foster care recruitment pilots, the department shall develop and implement foster parent recruitment and retention programs. The programs shall focus on diversity of foster parents, and recruitment of homes appropriate for teens and other high-risk placements. The programs should draw from models including, but not limited to, one church one child, foster home mentoring, neighborhood-based recruitment, and multimedia outreach.

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

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

(a) Provide for the family independence agency to retain 50% of the federal revenues earned.

(b) Provide for agency review and approval of the local unit's plan for allocating costs to title IV-E.

(c) Provide for the local unit of government to submit bills at times, and in the format, specified by the family independence agency.

(d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.

(e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit which may subsequently be disallowed by the federal government.

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

Sec. 532. The family independence agency, in collaboration with the department of consumer and industry services and representatives of the Michigan federation of private child and family agencies, shall review policies, practices, and procedures involving the annual licensing review conducted by the department of consumer and industry services and the annual contract compliance review conducted by the department regarding child placing agencies and child caring institutions. The review shall include efforts to identify duplication of staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report on its findings, conclusions, and any actions taken to ensure the maximum feasible coordination and efficiency in conducting these reviews. The report shall be presented to the senate and house appropriations subcommittees on the family independence agency and the department of consumer and industry services, the senate and house fiscal agencies, and the senate and house policy offices by April 1, 2003.

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

Sec. 534. Funding not distributed from the teen pregnancy prevention pilot performance bonus may be used to support teen pregnancy prevention programs in the city of Pontiac.

Sec. 535. It is the intent of the legislature that the department shall review the merits of increasing the per month guardianship fee.

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

Sec. 537. The department shall offer private nonprofit licensed agencies the first opportunity to provide foster care services for new foster children entering the system in a county when the department's direct care caseload for foster care is greater than 20 cases per foster care worker. This section shall only apply if the private nonprofit licensed agency has an available placement at the time the child needs to be placed and the placement is not contrary to the best interests of the child or the child's siblings.

Sec. 539. The family independence agency shall work in collaboration with representatives from private nonprofit child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the private nonprofit child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services.

#### **PUBLIC ASSISTANCE**

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vending has been requested meets applicable local housing codes. Vending shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall negotiate with positive billing utility companies to develop extended payment plans. Such plans shall allow clients who terminate from positive billing due to increased income to make monthly payments in order to gradually liquidate utility arrears.

(4) It is the intent of the legislature that the department review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in section 402 of title IV of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County family independence agencies shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent

permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2002 and ending September 30, 2003.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. (1) The department shall not require providers of burial services to accept state payment for indigent burials as payments in full. Each provider shall be permitted to collect additional payment from relatives or other persons on behalf of the deceased. The total in additional payments shall not exceed \$2,600.00.

(2) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. (1) From the funds appropriated in part 1 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$1,114.00. The funds shall be distributed as follows: \$710.00 for funeral directors; \$234.00 for cemeteries or crematoriums; and \$170.00 for the provider of the vault.

(2) On December 31, 2002, participating funeral home directors or cemeteries or crematoriums shall submit on a quarterly basis a report on a form made available by the department that includes all of the following information:

- (a) The number of indigent burials performed.
- (b) The cost of services rendered for each indigent burial performed.
- (c) The total reimbursement received from the state for indigent burials.
- (d) The amount the participating provider received from families toward indigent burials.
- (e) All other sources of reimbursement received by the participating providers shall be documented individually for indigent burials.
- (f) The percentage of total burials performed by the provider that represents indigent burials.

(3) The department shall report on an annual basis on the information received from participating providers under subsection (2). The department shall submit the report to the state budget director, the chairpersons of the senate and house appropriations committees, the chairpersons of the senate and house appropriations subcommittees on the family independence agency, the senate and house fiscal agencies, and the senate and house policy offices.

Sec. 614. The funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Sec. 616. (1) The appropriation in part 1 for the weatherization program shall be expended in such a manner that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

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

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2004.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.



(f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in section 115 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 21 U.S.C. 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

(a) A third-party payee or vendor shall be required for any cash benefits provided.

(b) An authorized representative shall be required for food assistance receipt.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 624. The department shall maintain a plan to provide for the implementation of temporary assistance for needy families-funded individual development accounts.

Sec. 625. The department in collaboration with the Michigan state university center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

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

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

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

Sec. 627. (1) From the funds appropriated in section 109 for day care services, the department shall contract to administer an amount not to exceed \$1,350,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

(2) From the funds appropriated in part 1 for day care services, the department shall establish an additional fund of at least \$350,000.00 for a grant pool for an "enhance quality improvement program" (EQUIP) specifically to establish new family and group home day care providers.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

(a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.

(b) Referral of persons so identified to counseling and supportive services.

(c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 632. The department shall calculate the food assistance allotment for applicants who are United States citizens and who live in a household with legal immigrants in a manner that maximizes the food assistance available to these United States citizens under federal law.

Sec. 635. Within 6 business days of receiving all information necessary to process an application for payments for child day care, the family independence agency shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the family independence agency shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the family independence agency shall expend up to \$8,000,000.00 to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the family independence agency to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless shelters within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not

receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the family independence agency's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 648. From the funds appropriated in part 1 for assistance payments, the department shall continue to make assistance payments to recipients beyond the federal 5-year limit set under the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105, providing the recipient is complying with asset, income, and participation standards set as a condition of eligibility to receive assistance.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under section 6(o)(6) of the food stamp act of 1977, Public Law 88-525, 7 U.S.C. 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall continue to offer quality before- or after-school programs that provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with independent contractors to put into practice a pilot program establishing quality before- or after-school programs for children in kindergarten to ninth grades. In order for an independent contractor to receive funds, a child served must be a member of a family with an income that does not exceed 200% of the federal poverty guidelines published by the United States department of health and human services.

(3) The department shall allocate through grants or contracts up to \$10,000,000.00 for pilot programs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school pilot programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school pilot programs shall include, at a minimum, at least 3 of the following topics:

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Academic assistance, including assistance with reading and writing.
- (e) Preparation toward future self-sufficiency.
- (f) Leadership development.
- (g) Case management or mentoring.
- (h) Parental involvement.
- (i) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 10% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations. An independent contractor who cannot fulfill the match described in this subsection shall not be excluded from applying for a before- or after-school program contract.

(6) A referral to a pilot program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

(7) By August 30, 2003, the department before- or after-school pilot program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school pilot program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the family independence agency budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

- (a) Juvenile crime.
- (b) Aggressive behavior.
- (c) Academic achievement.
- (d) Development of new skills and interests.
- (e) School attendance and dropout rates.
- (f) Behavioral changes in school.

Sec. 660. From the funds appropriated in part 1 for food bank council activities within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 661. From the funds appropriated in part 1 for transitional work support, the department shall expend up to \$5,000,000.00 in general fund/general purpose funds to develop and fund a transitional work support program. The department shall provide the house and senate appropriations subcommittees on the family independence agency, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director with a report that includes all of the following:

- (a) The number of participants served.
- (b) The average cost per program participant.
- (c) Any other information that the department considers relevant.

Sec. 665. The department shall continue to partner with the department of transportation to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals.

Sec. 666. The department shall develop and implement a plan to increase the participation of eligible family independence program recipients in the federal earned income tax credit.

Sec. 667. The department may expend funds necessary to perform child day care provider background checks from fees collected.

Sec. 668. In coordination with the Michigan alliance of boys and girls clubs, the department shall conduct a pilot program to develop a community-based child care program available to children ages 6 to 15. The pilot shall explore the ability to leverage child care funding by implementation of the SMART moves program, and with matching funds provided by the alliance. The pilot shall be funded through families selecting the program as their provider under the department's child day care programs, and through community-based matching funds.

#### **JUVENILE JUSTICE SERVICES**

Sec. 701. The department shall expend a portion of the federal juvenile accountability incentive block grant to support the boot camp program. The remainder of the state allocation of the juvenile accountability incentive block grant shall be used to provide funding to enable juvenile courts, juvenile probation offices, and community-based programs to be more effective and efficient in holding juvenile offenders accountable and reducing recidivism, treating substance abuse problems, and developing community-based alternatives for female offenders and the following:

- (a) To better address gang, drug, and youth violence.
- (b) For training, equipment, and technology.
- (c) For the establishment of programs that protect students and school personnel from drug, gang, and youth violence.

Sec. 702. Expansion of facilities funded under part 1 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 703. A juvenile adjudicated and placed in a state-operated maximum security program funded under part 1 for juvenile justice services shall not be allowed to leave the property of the maximum security facility at which the program is located except when required to leave the property for medical treatment, court appearances, or other good cause approved by the facility director. For purposes of this section, "juvenile" means that term as defined in section 115n of the social welfare act, 1939 PA 280, MCL 400.115n.

Sec. 704. New facilities funded under part 1 for juvenile justice services shall not be located within 1,500 feet of property in use for a K-12 educational program.

Sec. 705. (1) The department shall report on the W.J. Maxey facility to the house and senate appropriations subcommittees on the family independence agency budget as part of their annual budget presentation. The report shall include the following:

- (a) Population reintegration goals for juvenile justice wards including, but not limited to, the categorization of positive outcomes and recidivism by age and incarceration type.
- (b) Facility media policy to ensure reinforcement and consistency with treatment plans and desired ward outcomes.
- (c) Staff and resident safety.
- (d) Outcome based service and treatment program plan for wards who are sex offenders or substance abusers.
- (e) Facility procedure following traumatic campus occurrences such as, but not limited to, violent and sexual assaults.
- (f) Quality control process for resident service and release plans.

(2) The department shall ensure that all juveniles coming into care receive an assessment that includes a review of dysfunctional behavior in adolescents. In addition, the department shall ensure that all treatment addresses:

- (a) Dysfunctional family practices, such as substance abuse and domestic violence.

- (b) Sexual harassment and gender bias.
- (c) Cultural and ethnic sensitivity.

Sec. 706. Counties shall be subject to 50% charge back for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. It is the intent of the legislature that the department work with the department of education and all other state and local agencies necessary to ensure funding through the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, to educate pupils assigned by a court or the family independence agency to reside in a state-operated juvenile detention or treatment facility. Daily per diem rates for state-operated juvenile detention and treatment facilities shall reflect savings due to the use of school aid funds for education services.

Sec. 709. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2003, counties shall have an approved service spending plan for the fiscal year ending September 30, 2003. Counties must submit the service spending plan to the department by December 15, 2002 for approval.

Sec. 710. From the funds appropriated in part 1 for juvenile justice services, the department shall continue contracts for county juvenile justice day treatment programs.

Sec. 712. Not more than 30 days after receiving a published report from the office of auditor general that states that the department has not complied with state or federal law, rule, or regulation, the department shall provide a report to the house and senate committees having jurisdiction over the family independence agency. The report shall state the reason for the noncompliance, a corrective action plan to bring the department into compliance, and the time frame for implementing and executing the plan.

Sec. 713. (1) The department shall work cooperatively with judiciary and with the departments of community health and career development to coordinate and improve the delivery of mental health and substance abuse treatment and education and training services to individuals leaving the juvenile justice system, especially those aging out of the system identified as continuing to pose a serious risk to themselves or others.

(2) As required by section 18 of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.18, juveniles committed to an institution operated by the department shall receive medical, dental, surgical, or other health care as necessary. The Medicaid reimbursable rate scale shall be used as the standard for allowable charges for services rendered. The family independence agency shall reimburse providers for the actual charges less than or equal to the Medicaid reimbursable rate scale for each service provided.

Sec. 714. (1) The family independence agency shall provide technical assistance for counties to develop information networks including, but not limited to, serious habitual offenders comprehensive action program (SHOCAP), juvenile justice on-line technology (JJOLT), and juvenile violent reporting system (JVRS).

(2) The department shall assist counties in identifying funding sources for the networks, including, but not limited to, the child care fund and the juvenile accountability incentive block grant.

(3) The local units of government shall report to the department on expenditures of their juvenile justice information networks in concert with their requests for reimbursement from the child care fund.

(4) The department shall provide during budget deliberation hearings the compilation of reports from the local units of government.

Sec. 715. (1) It is the intent of the legislature that the primary function of the juvenile justice system shall be to promote the protection of individuals and communities through the reduction of juvenile crime.

(2) Based on the recommendations of the 2001 joint house and senate task force on juvenile justice, the family independence agency shall present the early intervention initiatives demonstrating the principles at the annual balanced and restorative justice conference in May 2003. The early intervention shall include, but not be limited to, the following:

(a) Mentoring programs that focus on improving communication and collaboration, encourage quality mentoring programs, recruitment of mentors, and increasing public awareness of and participation in programs for at-risk youth.

(b) Discussion of programs relating to juvenile information networks as an Internet-based communication tool that assists with case management of juvenile offenders in the area.

(c) Discussion of the possibility of implementing a program modeled after the "Wisconsin citizenship initiative" to collaborate with the before- and after-school programs offered under the authority of this act.

(d) Exploration of the option of a summit conducted via the Internet to discuss measures relating to the prevention and intervention of at-risk youth.

(e) Discussion of California's "8% early intervention" program that focuses on aggressive early intervention and treatment of young, high at-risk juvenile offenders and their families.

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

(i) A report on the initiatives discussed at the balanced and restorative justice conference described in this section will be given to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees dealing with human services, the senate and house fiscal agencies, and the policy offices no later than September 30, 2003.

**DISABILITY DETERMINATION SERVICES**

Sec. 801. The family independence agency disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and determine eligibility of medical disability retirement for state employees, state police, judges, and school teachers.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Laura M. Toy  
 Marc Shulman  
 Conferees for the House

Mike Goschka  
 Joel Gougeon  
 Conferees for the Senate

The question being on the adoption of the conference report,

The second conference report was not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 800**

**Yeas—17**

Bennett  
 Bullard  
 DeGrow  
 Dunaskiss  
 Emmons

Goschka  
 Gougeon  
 Hammerstrom  
 Johnson

McCotter  
 McManus  
 North  
 Sanborn

Schwarz  
 Sikkema  
 Stille  
 Van Regenmorter

**Nays—15**

Byrum  
 Cherry  
 DeBeaussaert  
 Dingell

Gast  
 Hart  
 Koivisto  
 Leland

Miller  
 Murphy  
 Peters  
 Scott

Shugars  
 Smith  
 Young

**Excused—5**

Garcia  
 Hoffman

Schuette

Steil

Vaughn

**Not Voting—1**

Emerson

In The Chair: Schwarz

Senator Emmons moved to reconsider the vote by which the conference report was not adopted.  
The question being on the motion to reconsider,  
Senator Emmons moved that further consideration of the bill be postponed for today.  
The motion prevailed.

Senator Emmons moved that when the Senate adjourns today, it stand adjourned until Tuesday, July 9, at 12:00 noon  
The motion prevailed.

### **Committee Reports**

#### **COMMITTEE ATTENDANCE REPORT**

The Conference Committee on Agriculture (HB 5642) submitted the following:  
Meeting held on Tuesday, June 18, 2002, at 8:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators McManus, Gast and Koivisto

#### **COMMITTEE ATTENDANCE REPORT**

The Michigan Capitol Committee submitted the following:  
Meeting held on Tuesday, June 18, 2002, at 9:10 a.m., Room 405, Capitol Building  
Present: Senators Schwarz (C), Steil and Byrum  
Excused: Senator Dunaskiss

#### **COMMITTEE ATTENDANCE REPORT**

The Conference Committee on Agriculture (HB 5642) submitted the following:  
Meeting held on Tuesday, June 18, 2002, at 6:30 p.m., House Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators McManus, Hoffman and Koivisto

#### **COMMITTEE ATTENDANCE REPORT**

The Conference Committee on Family Independence Agency (HB 5645) submitted the following:  
Meeting held on Tuesday, June 18, 2002, at 5:30 p.m., House Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Goschka, Gougeon and Murphy

### **Scheduled Meetings**

#### **Appropriations -**

##### **Subcommittee -**

**Corrections** - Monday, July 15, 9:00 a.m., Kinross Township Hall, Kinross (373-2413)

Senator Emmons moved that the Senate adjourn.  
The motion prevailed, the time being 3:27 p.m.

In pursuance of the order previously made, the President pro tempore, Senator Schwarz, declared the Senate adjourned until Tuesday, July 9, at 12:00 noon.

CAROL MOREY VIVENTI  
Secretary of the Senate.