

SUBSTITUTE FOR
HOUSE BILL NO. 5796

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2006 and September 30, 2007; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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ARTICLE 1

AGRICULTURE

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article,
the amounts listed in this part are appropriated for the department

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of agriculture for the fiscal year ending September 30, 2007, 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..... 700.0

GROSS APPROPRIATION..... \$ [114,694,100]

Interdepartmental grant revenues:

IDG from MDCH, local public health operations 8,878,700

IDG from MDLEG (LCC), liquor quality testing fees 191,900

IDG from MDEQ, aquifer protection and dispute

resolution 50,000

IDG from MDEQ, biosolids 90,200

IDG from MDEQ, MAEAP 155,100

IDG from MDEQ, type II well survey 16,800

IDG from MDNR, district forestry and wildlife program 1,000,000

Total interdepartmental grants and intradepartmental

transfers 10,382,700

ADJUSTED GROSS APPROPRIATION..... \$ [104,311,400]

Federal revenues:

HHS-FDA 363,200

DAG, multiple grants 19,939,500

EPA, multiple grants 2,304,300

United States department of labor 150,000

Total federal revenues 22,757,000

Special revenue funds:

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1	Total local revenues.....	0
2	Private - slow-the-spread foundation.....	143,800
3	Private - commodity group revenue.....	40,000
4	Total private revenues.....	183,800
5	Agricultural preservation fund.....	900,000
6	Agriculture equine industry development fund.....	16,715,000
7	Agriculture pollution prevention fund.....	100
8	Civil penalties.....	47,700
9	Commodity inspection fees.....	920,700
10	Consumer and industry food safety education fund.....	250,000
11	Gasoline inspection and testing fund.....	2,561,900
12	Groundwater and freshwater protection fund.....	5,093,500
13	Horticulture fund.....	77,500
14	Industry support funds.....	533,400
15	Licensing and inspection fees.....	6,070,700
16	Nonretail liquor fees.....	632,500
17	Refined petroleum fund.....	3,317,700
18	State services fee fund.....	8,982,100
19	Testing fees.....	434,500
20	Upper Peninsula state fair revenue.....	1,361,400
21	Weights and measures regulation fees.....	650,300
22	Total other state restricted revenues.....	48,549,000
23	State general fund/general purpose.....	\$ [32,821,600]
24	Sec. 102. EXECUTIVE (HEALTH)	
25	Full-time equated unclassified positions.....	6.0
26	Full-time equated classified positions.....	51.0
27	Commissions and boards.....	\$ 47,300

1	Unclassified positions--6.0 FTE positions	354,000
2	Executive direction--10.0 FTE positions	1,119,600
3	Management services--34.5 FTE positions	2,647,700
4	Statistical reporting service--4.0 FTE positions	376,000
5	Emergency management--2.5 FTE positions	232,900
6	Human resource optimization user charges	<u>40,100</u>
7	GROSS APPROPRIATION.....	\$ 4,817,600
8	Appropriated from:	
9	Special revenue funds:	
10	Agriculture equine industry development fund	50,000
11	Gasoline inspection and testing fund	57,200
12	Industry support funds	32,300
13	Nonretail liquor fees	8,800
14	Refined petroleum fund	229,900
15	State services fee fund	577,000
16	Upper Peninsula state fair revenue	9,000
17	State general fund/general purpose	\$ 3,853,400
18	Sec. 103. DEPARTMENTWIDE (HEALTH)	
19	Rent and building occupancy charges	\$ <u>1,469,000</u>
20	GROSS APPROPRIATION.....	\$ 1,469,000
21	Appropriated from:	
22	Federal revenues:	
23	DAG, multiple grants	106,300
24	EPA, multiple grants	64,800
25	HHS-FDA	13,900
26	Special revenue funds:	
27	Agricultural preservation fund	23,900

1	Groundwater and freshwater protection fund.....		10,100
2	Licensing and inspection fees.....		63,200
3	Nonretail liquor fees.....		8,400
4	Refined petroleum fund.....		114,000
5	State services fee fund.....		312,600
6	State general fund/general purpose.....	\$	751,800
7	Sec. 104. FOOD AND DAIRY (HEALTH)		
8	Full-time equated classified positions.....	117.0	
9	Food safety and quality assurance--117.0 FTE positions	\$	12,057,100
10	Consumer and industry food safety education.....		250,000
11	Local public health operations.....		<u>8,878,700</u>
12	GROSS APPROPRIATION.....	\$	21,185,800
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG from MDCH, local public health operations.....		8,878,700
16	DAG, multiple grants.....		25,900
17	HHS-FDA.....		212,200
18	Special revenue funds:		
19	Civil penalties.....		47,700
20	Consumer and industry food safety education fund.....		250,000
21	Licensing and inspection fees.....		2,437,900
22	State general fund/general purpose.....	\$	9,333,400
23	Sec. 105. ANIMAL INDUSTRY (HEALTH)		
24	Full-time equated classified positions.....	49.0	
25	Animal health and welfare--22.5 FTE positions.....	\$	2,678,400
26	Bovine tuberculosis program--26.5 FTE positions.....		<u>5,677,400</u>
27	GROSS APPROPRIATION.....	\$	8,355,800

1	Appropriated from:	
2	Federal revenues:	
3	DAG, multiple grants.....	1,099,400
4	HHS-FDA.....	70,800
5	Special revenue funds:	
6	Agriculture equine industry development fund.....	2,399,100
7	Licensing and inspection fees.....	105,000
8	State general fund/general purpose.....	\$ 4,681,500
9	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
10	(HEALTH)	
11	Full-time equated classified positions.....	231.8
12	Pesticide and plant pest management--119.8 FTE	
13	positions	\$ 13,426,000
14	Emerald ash borer control program--112.0 FTE positions	<u>13,782,000</u>
15	GROSS APPROPRIATION.....	\$ 27,208,000
16	Appropriated from:	
17	Federal revenues:	
18	DAG, multiple grants.....	16,008,700
19	EPA, multiple grants.....	1,451,600
20	HHS-FDA.....	66,300
21	Special revenue funds:	
22	Private - slow-the-spread foundation.....	143,800
23	Commodity inspection fees.....	920,700
24	Horticulture fund.....	77,500
25	Industry support funds.....	331,500
26	Licensing and inspection fees.....	3,337,600
27	State general fund/general purpose.....	\$ 4,870,300

1	Sec. 107. ENVIRONMENTAL STEWARDSHIP (RESOURCE	
2	CONSERVATION)	
3	Full-time equated classified positions.....	47.0
4	Environmental stewardship--32.7 FTE positions	\$ 3,155,300
5	Groundwater and freshwater protection program--8.3 FTE	
6	positions	5,141,000
7	Farmland and open space preservation--6.0 FTE	
8	positions	946,300
9	Agriculture pollution prevention program.....	400,100
10	Cooperative resources management initiative program..	1,000,000
11	Local conservation districts.....	1,600,000
12	Migrant labor housing.....	150,100
13	Aquifer protection program.....	<u>50,000</u>
14	GROSS APPROPRIATION.....	\$ 12,442,800
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	IDG from MDEQ, aquifer protection and dispute	
18	resolution	50,000
19	IDG from MDEQ, biosolids.....	90,200
20	IDG from MDEQ, type II well survey.....	16,800
21	IDG from MDNR, district forestry and wildlife program	1,000,000
22	IDG from MDEQ, MAEAP.....	155,100
23	Federal revenues:	
24	DAG, multiple grants.....	400,000
25	United States department of labor.....	150,000
26	EPA, multiple grants.....	436,700
27	Special revenue funds:	

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1	Agricultural preservation fund.....		875,900
2	Agriculture pollution prevention fund.....		100
3	Groundwater and freshwater protection fund.....		5,083,300
4	State general fund/general purpose.....	\$	4,184,700
5	Sec. 108. LABORATORY PROGRAM (HEALTH)		
6	Full-time equated classified positions.....	148.0	
7	Laboratory services--62.5 FTE positions.....	\$	5,696,900
8	USDA monitoring--18.0 FTE positions.....		2,070,700
9	Consumer protection program--67.5 FTE positions.....		4,948,600
10	[Diesel fuel quality inspection program].....		100
	GROSS APPROPRIATION.....	\$	[12,716,300]
11	IDG from MDLEG (LCC), liquor quality testing fees....		189,100
12	Federal revenues:		
13	DAG, multiple programs.....		2,092,700
14	EPA, multiple programs.....		351,200
15	Special revenue funds:		
16	Gasoline inspection and testing fund.....		2,477,700
17	Refined petroleum fund.....		2,973,800
18	State services fee fund.....		519,700
19	Testing fees.....		434,500
20	Weights and measures regulation fees.....		650,300
21	State general fund/general purpose.....	\$	[3,027,300]
22	Sec. 109. AGRICULTURE DEVELOPMENT (THRIVING		
23	ECONOMY)		
24	Full-time equated classified positions.....	8.0	
25	Agriculture development--5.0 FTE positions.....	\$	1,401,800
26	Grape and wine program--3.0 FTE positions.....		670,000
27	Export market development program.....		500,000

1	Michigan agricultural surplus system.....	630,500
2	Michigan FFA association.....	80,000
3	Michigan 4-H foundation.....	<u>20,000</u>
4	GROSS APPROPRIATION.....	\$ 3,302,300
5	Appropriated from:	
6	Federal revenues:	
7	DAG, multiple grants.....	206,500
8	Special revenue funds:	
9	Private - commodity group revenue.....	40,000
10	Agriculture equine industry development fund.....	100,000
11	Industry support funds.....	159,000
12	Nonretail liquor fees.....	614,800
13	State services fee fund.....	350,700
14	State general fund/general purpose.....	\$ 1,831,300
15	Sec. 110. FAIRS AND EXPOSITIONS (THRIVING ECONOMY)	
16	Full-time equated classified positions..... 16.5	
17	Upper Peninsula state fair--7.0 FTE positions.....	\$ 1,351,500
18	Fairs, racing and producer security--9.5 FTE positions	1,104,300
19	Building and track improvement - county and state	
20	fairs	963,200
21	Distribution of outstanding winning tickets.....	700,000
22	Licensed tracks - light horse racing.....	170,900
23	Premiums - county and state fairs.....	1,614,000
24	Purses and supplements - fairs/licensed tracks.....	3,031,700
25	Standardbred breeders' awards.....	1,273,000
26	Standardbred purses and supplements - licensed tracks	2,305,700
27	Standardbred sire stakes.....	1,040,000

1	Standardbred training and stabling.....	44,900
2	Thoroughbred owners' awards.....	159,900
3	Thoroughbred program.....	3,092,400
4	Thoroughbred sire stakes.....	<u>1,063,100</u>
5	GROSS APPROPRIATION.....	\$ 17,914,600
6	Appropriated from:	
7	Special revenue funds:	
8	Agriculture equine industry development fund.....	13,844,800
9	Industry support funds.....	10,600
10	Licensing and inspection fees.....	127,000
11	State services fee fund.....	2,580,700
12	Upper Peninsula state fair revenue.....	1,351,500
13	State general fund/general purpose.....	\$ 0
14	Sec. 111. OFFICE OF RACING COMMISSIONER (THRIVING	
15	ECONOMY)	
16	Full-time equated classified positions.....	31.7
17	Office of racing commissioner--31.7 FTE positions....	\$ <u>3,744,100</u>
18	GROSS APPROPRIATION.....	\$ 3,744,100
19	Appropriated from:	
20	Special revenue funds:	
21	Agriculture equine industry development fund.....	100,000
22	State services fee fund.....	3,644,100
23	State general fund/general purpose.....	\$ 0
24	Sec. 112. INFORMATION AND TECHNOLOGY (HEALTH)	
25	Information technology services and projects.....	\$ <u>1,537,800</u>
26	GROSS APPROPRIATION.....	\$ 1,537,800
27	Appropriated from:	

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1	IDG from MDLEG (LCC), liquor quality testing fees	2,800
2	Federal revenues:	
3	Special revenue funds:	
4	Agricultural preservation fund.....	200
5	Agriculture equine industry development fund.....	221,100
6	Gasoline inspection testing fund.....	27,000
7	Groundwater and freshwater protection fund.....	100
8	Nonretail liquor fees.....	500
9	State services fee fund.....	997,300
10	Upper Peninsula state fair revenue.....	900
11	State general fund/general purpose..... \$	287,900

12 PART 2

13 PROVISIONS CONCERNING APPROPRIATIONS

14 GENERAL SECTIONS

15 Sec. 201. Pursuant to section 30 of article IX of the state
 16 constitution of 1963, total state spending from state resources
 17 under part 1 for fiscal year 2006-2007 is [\$81,370,600.00] and state
 18 spending from state resources to be paid to local units of
 19 government for fiscal year 2006-2007 is \$3,300,000.00. The itemized
 20 statement below identifies appropriations from which spending to
 21 local units of government will occur:

22 DEPARTMENT OF AGRICULTURE

23	Groundwater and freshwater protection program.....	\$	1,700,000
24	Local conservation districts.....		<u>1,600,000</u>
25	TOTAL.....	\$	3,300,000

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

4 Sec. 203. As used in this article:

5 (a) "DAG" means the United States department of agriculture.

6 (b) "Department" means the department of agriculture.

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

8 (d) "EPA" means the United States environmental protection
9 agency.

10 (e) "FFA" means future farmers of America.

11 (f) "FTE" means full-time equated.

12 (g) "HHS-FDA" means the United States department of health and
13 human services - food and drug administration.

14 (h) "IDG" means interdepartmental grant.

15 (i) "MAEAP" means the Michigan agriculture environmental
16 assurance program.

17 (j) "MDCH" means the Michigan department of community health.

18 (k) "MDLEG (LCC)" means the Michigan department of labor and
19 economic growth - liquor control commission.

20 (l) "MDEQ" means the Michigan department of environmental
21 quality.

22 (m) "MDNR" means the Michigan department of natural resources.

23 (n) "USDA" means the United States department of agriculture.

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

1 of the billing by the end of the second fiscal quarter.

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

9 (2) The state budget director may grant exceptions to this
10 hiring freeze when the state budget director believes that the
11 hiring freeze will result in rendering a state department or agency
12 unable to deliver basic services, causes loss of revenue to the
13 state, would result in the inability of the state to receive
14 federal funds, or would necessitate additional expenditures that
15 exceed any savings from maintaining a vacancy. The state budget
16 director shall report by the thirtieth of each month to the
17 chairpersons of the senate and house of representatives standing
18 committees on appropriations the number of exceptions to the hiring
19 freeze approved during the previous month and the reasons to
20 justify the exception.

21 Sec. 208. Unless otherwise specified, the department shall use
22 the Internet to fulfill the reporting requirements of this article.
23 This requirement shall include transmission of reports via
24 electronic mail to the recipients identified for each reporting
25 requirement and shall include placement of reports on an Internet
26 or Intranet site.

27 Sec. 209. (1) Funds appropriated in part 1 shall not be used

1 for the purchase of foreign goods or services, or both, if
2 competitively priced and of comparable quality American goods or
3 services, or both, are available.

4 (2) In addition to the requirements in subsection (1), the
5 purchase of goods or services, or both, if competitively priced and
6 of comparable quality shall be Michigan goods or services, or both,
7 if available. The department shall also encourage the use of
8 Michigan produced agricultural products by all state agencies and
9 departments if competitively priced and of comparable quality and
10 if available.

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

18 Sec. 212. (1) Of the funds appropriated in part 1, the
19 department may provide for indemnity as provided for pursuant to
20 the animal industry act of 1987, 1988 PA 466, MCL 287.701 to
21 287.745, not to exceed \$100,000.00 per order from any line item for
22 the fiscal year ending September 30, 2007. Before the department
23 provides for an indemnification under this section, the department
24 shall report the reason for the indemnification, the amount of the
25 indemnification, and to whom the indemnification is to be paid. The
26 report shall be given to each member of the house and senate
27 appropriations subcommittees on agriculture and to the senate and

1 house fiscal agencies and the state budget director.

2 (2) The department of agriculture shall make an
3 indemnification payment for the fair market value of livestock
4 killed by a wolf, coyote, or cougar, if the kill is verified by the
5 department of natural resources. The fair market value of the
6 livestock shall be determined pursuant to the indemnification
7 procedures prescribed in the animal industry act, 1988 PA 466, MCL
8 287.701 to 287.745. In addition to the funds appropriated in part
9 1, the department of agriculture is authorized to expend the funds
10 received from the department of natural resources to reimburse the
11 department of agriculture for all indemnification payments made
12 pursuant to this subsection.

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

21 Sec. 219. From the funds appropriated in part 1 for
22 information technology, the department shall pay user fees to the
23 department of information technology for technology-related
24 services and projects. The user fees shall be subject to provisions
25 of an interagency agreement between the department and the
26 department of information technology.

27 Sec. 220. Amounts appropriated in part 1 for information

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

7 Sec. 223. (1) Due to the current budgetary problems in this
8 state, out-of-state travel for the fiscal year ending September 30,
9 2007 shall be limited to situations in which 1 or more of the
10 following conditions apply:

11 (a) The travel is required by legal mandate or court order or
12 for law enforcement purposes.

13 (b) The travel is necessary to protect the health or safety of
14 Michigan citizens or visitors or to assist other states in similar
15 circumstances.

16 (c) The travel is necessary to produce budgetary savings or to
17 increase state revenues, including protecting existing federal
18 funds or securing additional federal funds.

19 (d) The travel is necessary to comply with federal
20 requirements.

21 (e) The travel is necessary to secure specialized training for
22 staff that is not available within this state.

23 (f) The travel is financed entirely by federal or nonstate
24 funds.

25 (2) If out-of-state travel is necessary but does not meet 1 or
26 more of the conditions in subsection (1), the state budget director
27 may grant an exception to allow the travel. Any exceptions granted

1 by the state budget director shall be reported on a monthly basis
2 to the house and senate appropriations committees.

3 (3) Not later than January 1 of each year, each department
4 shall prepare a travel report listing all travel by classified and
5 unclassified employees outside this state in the immediately
6 preceding fiscal year that was funded in whole or in part with
7 funds appropriated in the department's budget. The report shall be
8 submitted to the chairs and members of the house and senate
9 appropriations committees, the fiscal agencies, and the state
10 budget director. The report shall include the following
11 information:

12 (a) The name of each person receiving reimbursement for travel
13 outside this state or whose travel costs were paid by this state.

14 (b) The destination of each travel occurrence.

15 (c) The dates of each travel occurrence.

16 (d) A brief statement of the reason for each travel
17 occurrence.

18 (e) The transportation and related costs of each travel
19 occurrence, including the proportion funded with state general
20 fund/general purpose revenues, the proportion funded with state
21 restricted revenues, the proportion funded with federal revenues,
22 and the proportion funded with other revenues.

23 (f) A total of all out-of-state travel funded for the
24 immediately preceding fiscal year.

25 Sec. 224. The department shall not take disciplinary action
26 against an employee for communicating with a member of the
27 legislature or his or her staff.

1 **EXECUTIVE**

2 Sec. 301. Per diem rates for commodity committees established
3 in the agriculture commodities marketing act, 1965 PA 232, MCL
4 290.651 to 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1965 PA
5 114, MCL 290.551 to 290.568, and the beef industry commission act,
6 1972 PA 291, MCL 287.601 to 287.610, will be set based upon levels
7 established in section 301 of 2002 PA 516.

8 Sec. 302. (1) The department may receive and expend revenue
9 and use that revenue to cover necessary expenses related to
10 publications, audit and licensing functions, livestock sales,
11 certification of nursery stock, bean inspection services, and
12 laboratory analyses as specified in the following:

13 (a) Management services publications.

14 (b) Management services audit and licensing functions.

15 (c) Pesticide and plant pest management propagation and
16 certification of virus free foundation stock.

17 (d) Pesticide and plant pest management bean inspection and
18 grading services.

19 (e) Laboratory support testing for testing horses in draft
20 horse pulling contests at county fairs when local jurisdictions
21 request state assistance.

22 (f) Laboratory support analyses to determine foreign
23 substances in horses engaged in racing or pulling contests at
24 tracks.

25 (g) Laboratory support analysis of food, livestock, and
26 agricultural products for disease, foreign products for disease,

1 toxic materials, foreign substances, and quality standards.

2 (h) Laboratory support test samples for other agencies and
3 organizations.

4 (i) Fruit and vegetable inspection at shipping and termination
5 points and processing plants.

6 (2) The department shall notify the senate and house of
7 representatives appropriations subcommittees on agriculture and the
8 senate and house fiscal agencies 30 days prior to proposing changes
9 in fees authorized under this section or under section 5 of the
10 market conditions act, 1915 PA 91, MCL 285.35.

11 (3) Annually, before February 1, the department shall provide
12 a report to the senate and house of representatives appropriations
13 subcommittees on agriculture and the senate and house fiscal
14 agencies detailing all the fees charged by the department under the
15 authorization provided in this section, including, but not limited
16 to, rates, number of individuals paying each fee, and the revenue
17 generated by each fee in the previous fiscal year.

18 Sec. 304. From the funds appropriated in section 108, not less
19 than \$3,800,000.00 shall be used for the motor fuel quality program
20 to ensure motor fuel quality and quantity. Notwithstanding the
21 provisions of section 205, the department shall maintain additional
22 field and laboratory staff for the motor fuel quality program.

23 Sec. 305. From the appropriation for statistical reporting
24 service in part 1, it is the intent of the legislature that the
25 department, in consultation with representatives of the equine
26 industry, conduct a survey of the equine industry in Michigan.

1 **FOOD AND DAIRY**

2 Sec. 401. (1) The department shall monitor restaurant
3 inspection and licensing functions carried out by local health
4 departments to ensure uniform application and enforcement of
5 minimum program requirements. On or before April 1, 2007, the
6 department shall report to the senate and house appropriations
7 subcommittees on agriculture, the senate and house fiscal agencies,
8 and the state budget director on local health department
9 conformance with minimum program requirements.

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

16 Sec. 402. Not later than April 1, 2007, the department shall
17 provide a report to the house and senate appropriations
18 subcommittees on agriculture and the house and senate fiscal
19 agencies describing significant food-borne outbreaks and
20 emergencies including any enforcement actions taken related to food
21 safety during the 2005-2006 fiscal year.

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

ANIMAL INDUSTRY

Sec. 450. From the funds appropriated in section 105 for the bovine tuberculosis program, the department 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 goals and are jointly agreed to by the department 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 105 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. From the funds appropriated in section 106 for pesticide and plant pest management, not less than \$1,000,000.00 shall be used to support the fruit and vegetable inspection program authorized under the market conditions act, 1915 PA 91, MCL 285.31, of which not less than \$600,000.00 shall be from the state general fund.

ENVIRONMENTAL STEWARDSHIP

Sec. 603. The department shall apply for all federal funds for

1 which it is eligible that can be used to support the migrant labor
2 housing program.

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

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

13 (b) Any amount remaining from the appropriation after
14 distributions under subdivision (a) shall be allocated for local
15 conservation district training.

16 **AGRICULTURE DEVELOPMENT**

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

22 Sec. 703. From the appropriation in part 1 for agriculture
23 development, \$30,000.00 shall be provided to the northwest Michigan
24 horticultural research station.

25 Sec. 704. Indirect costs may not be charged against the FFA
26 grant in section 109 by any administering agency. The grant shall

1 not be used by the administering agency to supplant existing
2 resources dedicated to the FFA organization. The grant only shall
3 be used, awarded, or expended for additional leadership activities,
4 awards, or training programs that encourage agriculture as a
5 career.

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

12 Sec. 706. Not later than April 1, 2007, the department shall
13 provide a report to the house and senate appropriations
14 subcommittees on agriculture and the house and senate fiscal
15 agencies describing the department's agriculture development and
16 export market development activities. The report shall identify
17 grants awarded during the prior fiscal year, including a
18 description of federal or private funds made available as a result
19 of department activities.

20 Sec. 707. In awarding grants from the agricultural development
21 fund created under the Julian-Stille value-added act, 2000 PA 322,
22 MCL 285.302, the department shall give due consideration to the
23 diversity of Michigan agriculture and its economic importance.

24 Sec. 708. The department is authorized to receive and expend
25 funds appropriated from the agricultural development fund created
26 in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL
27 285.302.

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1 Sec. 709. (1) Not later than April 1, 2007, the department
2 shall provide a report to the house and senate appropriations
3 subcommittees on agriculture and the house and senate fiscal
4 agencies describing the activities of the grape and wine industry
5 council established under section 303 of the Michigan liquor
6 control act of 1998, 1998 PA 58, MCL 436.1303.

7 (2) The report shall include all of the following:

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

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

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

16 Sec. 710. It is the intent of the legislature that of the
17 funds appropriated in section 109 for agriculture development, not
18 less than \$250,000.00 shall be used to support the select Michigan
19 program to increase the marketing opportunities for Michigan
20 locally grown food products and to increase the awareness and
21 purchases of Michigan locally grown food products. The department
22 shall, to the greatest extent possible, use state funds to leverage
23 federal and private funds for this program. [It is the intent of the
legislature that \$975,000.00 from the agricultural development fund
created in section 2 of the Julian-Stille value-added act, 2000 PA 322,
MCL 285.302, be allocated to the Cherry Marketing Institute to be used
for marketing assessments and for the promotion of the health benefits of
tart cherries by the cherry industry administrative board.]

24 **FAIRS AND EXPOSITIONS**

25 Sec. 801. The department shall submit a report each month to
26 the state budget director, the senate and house appropriations

1 subcommittees on agriculture, and the senate and house fiscal
2 agencies that states the simulcasting revenues generated in the
3 preceding month by each licensed track and the amount received from
4 license fees.

5 Sec. 802. From the amount appropriated in section 110 for
6 purses and supplements - fairs/licensed tracks, \$280,000.00 is to
7 be used for state purse supplements at state licensed pari-mutuel
8 tracks for races comprised only of Michigan-bred horses segregated
9 into a 4-year-old colt trot division, a 4-year-old filly trot
10 division, a 4-year-old colt pace division, and a 4-year-old filly
11 pace division.

12 Sec. 803. Included in the appropriation made in section 110
13 for the thoroughbred program is \$30,500.00 for the Michigan united
14 thoroughbred breeders and owners association to conduct a
15 thoroughbred yearling show. The Michigan united thoroughbred
16 breeders and owners association shall submit to the department an
17 itemized list of expenses showing that the expenses of the yearling
18 show were paid.

19 Sec. 804. From the funds appropriated in section 110 for
20 thoroughbred owners' awards, awards shall be distributed pursuant
21 to section 20 of the horse racing law of 1995, 1995 PA 279, MCL
22 431.320.

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

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

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

18 Sec. 808. Of the amount appropriated in section 110 for
19 premiums - county and state fairs, \$91,400.00 shall be expended to
20 reimburse up to 75% premiums paid to large livestock and equine
21 exhibitors in shows or exhibitions held by statewide associations
22 as defined by the department. Livestock expositions shall be
23 limited to participation in this program and prohibited from
24 participation in any state funded premium programs. The Michigan
25 horse show association fall youth show shall be included.

26 Sec. 809. From the appropriations for premiums - county and
27 state fairs in section 110, \$40,000.00 shall be awarded through a

1 competitive grant program to local, regional, or state fairs or
2 youth education programs to promote youth involvement and adult
3 exhibitions in the animal agriculture industry.

4 Sec. 811. The funds appropriated in section 110 for
5 distribution of outstanding winning tickets are not available for
6 expenditure until they are deposited in the Michigan agriculture
7 equine industry development fund pursuant to section 2 of 1951 PA
8 90, MCL 431.252. These funds shall be expended in accordance with
9 section 2 of 1951 PA 90, MCL 431.252. The department shall provide
10 notice to the house and senate appropriations subcommittees on
11 agriculture at least 10 days before the funds are expended. This
12 notice shall include the amount that each program receives from the
13 outstanding winning ticket revenue deposited in the Michigan
14 agriculture equine industry development fund.

15 **OFFICE OF RACING COMMISSIONER**

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

22 Sec. 902. The appropriation in section 111 of \$100,000.00 from
23 the agriculture equine industry development fund is intended to
24 supplement funding for the office of racing commissioner to staff
25 additional racing days. It is the intent of the legislature that
26 the racing commissioner authorize not fewer than 378 days of

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standardbred racing, 118 days of thoroughbred racing, and 36 days
of mixed breed racing.

ARTICLE 2

COMMUNITY COLLEGES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article,
the amounts listed in this part are appropriated for community
colleges and certain other state purposes relating to education for
the fiscal year ending September 30, 2007, from the funds indicated
in this part. The following is a summary of the appropriations in
this part:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	[288,780,700]
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental		
transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	[288,780,700]
Total federal revenues.....		0
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose.....	\$	[288,780,700]

[Sec. 102. OPERATIONS (PREPARED FOR JOBS)]

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1	Alpena Community College.....	\$ 4,879,400
2	Bay de Noc Community College.....	4,926,800
3	Delta College.....	13,231,500
4	Glen Oaks Community College.....	2,222,000
5	Gogebic Community College.....	4,025,900
6	Grand Rapids Community College.....	16,616,100
7	Henry Ford Community College.....	20,225,000
8	Jackson Community College.....	11,180,600
9	Kalamazoo Valley Community College.....	11,452,200
10	Kellogg Community College.....	8,987,800
11	Kirtland Community College.....	2,732,800
12	Lake Michigan College.....	4,844,100
13	Lansing Community College.....	28,733,300
14	Macomb Community College.....	30,675,000
15	Mid Michigan Community College.....	4,291,300
16	Monroe County Community College.....	3,986,200
17	Montcalm Community College.....	2,875,000
18	C.S. Mott Community College.....	14,511,700
19	Muskegon Community College.....	8,251,000
20	North Central Michigan College.....	2,796,100
21	Northwestern Michigan College.....	8,414,700
22	Oakland Community College.....	19,371,100
23	St. Clair County Community College.....	6,495,000
24	Schoolcraft College.....	11,335,000
25	Southwestern Michigan College.....	6,088,700
26	Washtenaw Community College.....	11,608,300
27	Wayne County Community College.....	15,126,000

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1	West Shore Community College.....	<u>2,124,100</u>
2	GROSS APPROPRIATION.....	\$ 282,006,700
3	Appropriated from:	
4	State general fund/general purpose.....	\$ 282,006,700]
5	Sec. 103. GRANTS (PREPARED FOR JOBS)	
6	At-risk student success program.....	\$ 3,322,700
7	Renaissance zone tax reimbursement funding.....	3,200,000
8	Economic development grants.....	[251,100]
9	Accelerated licensing and certification program grants	100
10	Nursing program expansion grants.....	<u>100</u>
11	GROSS APPROPRIATION.....	\$ [6,774,000]
12	Appropriated from:	
13	State general fund/general purpose.....	\$ [6,774,000]
	[PART 1A	

LINE-ITEM APPROPRIATION
FISCAL YEAR 2005-2006

Sec. 151. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	400,000
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION.....	\$	400,000
Total federal revenues.....		0
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	400,000

Sec. 152. OPERATIONS (PREPARED FOR JOBS)

Mid Michigan Community College.....	\$	200,000
Bay de Noc Community College.....		200,000
GROSS APPROPRIATION.....	\$	400,000
Appropriated from:		

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State general fund/general purpose..... \$ 400,000]

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 2006-2007 is [\$288,780,700.00] and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is [\$288,780,700.00]. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations..... \$ [282,006,700]

At-risk student success program..... 3,322,700

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1	Renaissance zone tax reimbursement program.....	3,200,000
2	Economic development grants.....	[251,100]
3	Accelerated licensing and certification program grants	100
4	Nursing program expansion grants.....	<u>100</u>
5	TOTAL.....	\$ [288,780,700]

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

9 Sec. 203. Unless otherwise specified, a community college
10 receiving appropriations in part 1 and the department of labor and
11 economic growth shall use the Internet to fulfill the reporting
12 requirements of this article. This requirement may include
13 transmission of reports via electronic mail to the recipients
14 identified for each reporting requirement or it may include
15 placement of reports on an Internet or Intranet site.

16 Sec. 208. The department of labor and economic growth shall
17 work collaboratively with community colleges to develop an
18 accelerated entrepreneurship curriculum, including an associate
19 degree, to provide students with the skills and knowledge needed
20 for creating their own businesses. The department shall submit a
21 report on the results of its work with the community colleges under
22 this section to the house and senate appropriations subcommittees
23 on community colleges, the house and senate fiscal agencies, and
24 the state budget director by February 1, 2007.

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

1 services, or both, are available. Preference should be given to
2 goods or services, or both, manufactured or provided by Michigan
3 businesses if they are competitively priced and of comparable
4 quality.

5 Sec. 210. The principal executive officer of each community
6 college receiving appropriations in part 1 shall take all
7 reasonable steps to ensure businesses in deprived and depressed
8 communities compete for and perform contracts to provide services
9 or supplies, or both. Each principal executive officer shall
10 strongly encourage firms with which the community college contracts
11 to subcontract with certified businesses in depressed and deprived
12 communities for services or supplies, or both.

13 Sec. 211. (1) The money appropriated in this article is
14 appropriated for community colleges with fiscal years ending June
15 30, 2007, and shall be paid out of the state treasury and
16 distributed by the state treasurer to the respective community
17 colleges in 11 monthly installments on the sixteenth of each month,
18 or the next succeeding business day, beginning with October 16,
19 2006. Each community college shall accrue its July and August 2007
20 payments to its institutional fiscal year ending June 30, 2007.
21 However, if a community college fails to submit all verified
22 Michigan community colleges activities classification structure
23 data for school year 2005-2006 to the department of labor and
24 economic growth by November 1, 2006, the monthly installments shall
25 be withheld from that community college until those data are
26 submitted. The amount from the money appropriated in part 1 that is
27 allocated to address the special needs of at-risk students shall be

1 paid in full by the state treasurer by November 1, 2006. The amount
2 distributed to a community college or department shall not exceed
3 the net state allocation authorized by this article.

4 (2) Except as otherwise provided by law, each of the amounts
5 appropriated shall be used solely for the respective purposes
6 stated in this article. The money appropriated by this article may
7 be used to match the cost of any available programs under the Carl
8 D. Perkins vocational and applied technology education act of 1998,
9 20 USC 2301 to 2415, including local administration.

10 Sec. 216. (1) A community college shall pay the employer's
11 contributions to the Michigan public school employees' retirement
12 system created by the public school employees retirement act of
13 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of
14 receiving money appropriated under this article.

15 (2) A community college shall not pay an employer's
16 contribution to more than 1 retirement fund providing benefits for
17 an employee.

18 Sec. 217. Money appropriated in part 1 shall not be used to
19 pay for the construction or maintenance of a self-liquidating
20 project. Any construction, renovation, or other capital outlay
21 project that exceeds \$1,000,000.00 requires the approval of a use
22 and finance statement by the joint capital outlay subcommittee
23 (JCOS) pursuant to JCOS policy.

24 Sec. 220. It is the intent of the legislature that the
25 legislature restore the infrastructure, technology, equipment, and
26 maintenance (ITEM) funding provided in previous fiscal years.

27 Sec. 224. Recognizing the critical importance of education in

1 strengthening Michigan's workforce, the legislature encourages the
2 state's public community colleges to explore ways of increasing
3 collaboration and cooperation with 4-year universities,
4 particularly in the areas related to training, instruction, and
5 program articulation.

6 Sec. 230. (1) A community college shall not expend money
7 appropriated under this article to provide health care coverage for
8 community college employees or their dependents for abortion
9 services, other than for spontaneous abortion or to prevent the
10 death of the woman upon whom the abortion is performed. A community
11 college shall not approve a collective bargaining agreement or
12 enter into any other employment contract that includes health care
13 coverage for abortion services other than spontaneous abortion or
14 to prevent the death of the woman upon whom the abortion is
15 performed.

16 (2) If a community college expends money appropriated under
17 this article in violation of subsection (1), the community college
18 shall repay to this state an amount equal to the amount of money
19 spent in violation of subsection (1).

20 Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL
21 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271,
22 the legislature intends that a community college receiving funding
23 under this article shall not use part 1 money to extend employee
24 benefits to the unmarried partners of the community college's
25 employees except for pre- and post-natal costs.

26 Sec. 234. Community colleges shall do the following:

27 (a) Undertake active measures to promote equal opportunities,

1 eliminate discrimination, and foster a diverse student body and
2 administration among all people including, but not limited to,
3 women, minorities, seniors, veterans, and people with disabilities.

4 (b) Review, analyze, and eradicate activities that may tend to
5 discriminate.

6 Sec. 235. It is the intent of the legislature that a workgroup
7 be formed to evaluate, discuss, and make recommendations for future
8 action regarding state university admission and enrollment policies
9 that specifically address the acceptance and application of college
10 credits earned by students through the postsecondary enrollment
11 options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan
12 community college association may create and administer the
13 workgroup and is encouraged to include members representing
14 university and K-12 school organizations. The workgroup shall
15 submit a report containing its findings and recommendations to the
16 house and senate appropriations subcommittees on community
17 colleges, the house and senate fiscal agencies, and the state
18 budget director by March 1, 2007.

19 Sec. 239. The legislature intends that any executive or
20 legislative proposal or action, subsequent to the adoption of a
21 recommendation for appropriations for community colleges for the
22 fiscal year ending September 30, 2007, to increase appropriations
23 to state-supported 4-year universities in excess of the governor's
24 original recommendation for the fiscal year ending September 30,
25 2007, will be accompanied by a similar action or proposal for
26 state-supported community colleges.

27 Sec. 240. The legislature intends that not less than 70% of

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1 the economic development job training grant money be awarded to
2 community colleges or a consortium of community colleges and other
3 eligible applicants as provided in the budget that appropriated the
4 economic development job training grant money. Further, the
5 legislature intends that at least a portion of the total
6 appropriation for economic development job training grants be
7 awarded to community colleges that offer certified programs that
8 are bureau of apprenticeship training certified. The Michigan
9 economic development corporation shall report by November 1 of each
10 year to the house and senate appropriations subcommittees on
11 community colleges and the senate and house fiscal agencies the
12 names of the community colleges awarded grant money under this
13 section, the amount of the grants awarded, and the percentage
14 awarded to bureau of apprenticeship training certified programs.

15 Sec. 241. It is the intent of the legislature that community
16 colleges expand their current nursing education programs and
17 increase nursing education program enrollments. This expansion may
18 include, but is not limited to, creating partnerships with
19 hospitals and other health care providers, expanding the focus and
20 utilization of the nursing scholarship program, and redirecting
21 existing institutional resources toward nursing education programs.

22 Sec. 242. It is the intent of the legislature that the
23 Michigan community college association, the legislature, and other
24 interested parties continue the discussion regarding payments in
25 lieu of taxes, especially for those community college districts
26 that contain significant portions of nontaxable land.

[Sec. 250. A community college shall not enter into any contract for construction, alteration, repair, or special maintenance that discriminates against a person based upon race, color, religion, sex, national origin, height, weight, age, marital status, or other legally protected characteristic, membership, or nonmembership in any labor organization, or requires that any bidder, contractor, subcontractor, or construction management enter into, or adhere to, agreements with 1 or

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more labor organizations with respect to the contract or any related
construction contract.]

1 **STATE AID - OPERATIONS**

2 Sec. 301. Unless otherwise stated, all data items used in
3 determining state aid in this article are as defined in the 2001
4 Manual for Uniform Financial Reporting, Michigan Public Community
5 Colleges, which shall be the basis for reporting data, and the 2003
6 Activities Classification Structure Manual for Michigan Community
7 Colleges, which shall be used to document financial needs of the
8 community colleges.

9 Sec. 302. A community college shall not include in the
10 enrollment data reported for determining state aid under this
11 article any student credit hours or student contact hours for a
12 student incarcerated in a Michigan penal institution. Exclusion of
13 these students is intended to avoid the payment of state aid under
14 this article for the same individuals for whom reimbursement is
15 provided by the state correctional system.

16 Sec. 303. A community college selected for audit under section
17 502 whose audited activities classification structure data is
18 significantly different than the data used to determine state aid
19 under this article shall return any overappropriated money as
20 provided in this subsection. The department of labor and economic
21 growth shall compare formula computations for the audited colleges
22 using pre- and post-audit data. If the state allocation is 2% or
23 more than the post-audit allocation amount, the college shall
24 return the excess money. The returned money shall be redistributed
25 to all 28 community colleges, prorated on the base appropriations
26 contained in part 1.

27 Sec. 304. It is the intent of the legislature that the funding

1 formula developed by the performance indicators task force formed
2 pursuant to section 242 of 2005 PA 154 be used for funding
3 distribution in future years and that the data collected and used
4 to generate the Gast-Mathieu fairness in funding formula continue
5 to be collected and maintained.

6 Sec. 305. It is the intent of the legislature that the
7 performance measures recommended in the proposals and
8 recommendations of the performance indicators task force prepared
9 by the task force pursuant to section 242 of 2005 PA 154 be
10 reviewed and more fully implemented for funding in future years.

11 GRANTS

12 Sec. 401. (1) The community college at-risk student success
13 program is continued. The funding shall be prorated among community
14 colleges based on the number of student contact hours for
15 developmental and preparatory instruction reported by each
16 community college to the department of labor and economic growth
17 pursuant to the 2003 Activities Classification Structure Manual for
18 Michigan Community Colleges. Of the amount appropriated in part 1
19 for the at-risk student success program, \$1,120,000.00 is allocated
20 for base grants of \$40,000.00 each, to address the special needs of
21 at-risk students at community colleges or the acquisition or
22 upgrade of technology-related equipment and software.

23 (2) Of the amount appropriated in part 1 for the at-risk
24 student success program, the balance of the appropriated money
25 shall be distributed on a proration utilizing the sum of the most
26 recent 3 years developmental/preparatory contact hours divided by

the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all the percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2007, the at-risk student success program money is allocated as follows:

Alpena Community College.....	\$	78,600
Bay de Noc Community College.....		100,800
Delta College.....		97,900
Glen Oaks Community College.....		117,500
Gogebic Community College.....		62,400
Grand Rapids Community College.....		122,100
Henry Ford Community College.....		151,900
Jackson Community College.....		105,000
Kalamazoo Valley Community College.....		89,400
Kellogg Community College.....		159,500
Kirtland Community College.....		124,300
Lake Michigan College.....		155,800
Lansing Community College.....		134,500
Macomb Community College.....		83,300
Mid Michigan Community College.....		142,200
Monroe County Community College.....		97,500
Montcalm Community College.....		66,700
C.S. Mott Community College.....		103,800
Muskegon Community College.....		118,500
North Central Michigan College.....		117,200
Northwestern Michigan College.....		118,200

1	Oakland Community College.....	147,300
2	St. Clair Community College.....	92,000
3	Schoolcraft College.....	130,000
4	Southwestern Michigan College.....	138,600
5	Washtenaw Community College.....	159,800
6	Wayne County Community College.....	172,400
7	West Shore Community College.....	135,500

8 (4) As used in this article, "at-risk students" means students
9 who meet 1 or more of the following criteria:

10 (a) Are initially placed in 1 or more developmental courses as
11 a result of standardized testing or as a result of failure to make
12 satisfactory academic progress.

13 (b) Are diagnosed as learning disabled.

14 (c) Require English as a second language (ESL) assistance.

15 (5) Grant funding under this section shall be utilized to
16 address the special needs of at-risk students or for equipment or
17 upgrade of information technology hardware or software. Activities
18 related to services provided to at-risk students include, but are
19 not limited to, pretesting for academic ability, counseling
20 contacts, and special programs. Equipment or information technology
21 hardware or software purchased under this section need not be
22 associated with the operation of a program designed to address the
23 needs of at-risk students.

24 (6) Grant funding under this section shall not be used for
25 indirect costs including, but not limited to, rent, utilities, or,
26 except as provided in this section, college administration.

27 (7) Each community college shall report to the department of

1 labor and economic growth a summary of all accomplishments under,
2 expenditures for, and compliance with the intent of this program,
3 including the number of at-risk students served. The report is
4 subject to audit as provided for in section 502(1). The report
5 shall be submitted not later than 90 days after the end of the
6 state's fiscal year.

7 Sec. 404. The appropriation in part 1 for renaissance zone
8 reimbursements shall be made to each eligible recipient no later
9 than 60 days after the department of treasury certifies to the
10 state budget director that it has received all necessary
11 information to properly determine the amounts due each eligible
12 recipient under section 12 of the Michigan renaissance zone act,
13 1996 PA 376, MCL 125.2692.

14 REPORTS AND AUDITS

15 Sec. 501. The department of labor and economic growth shall
16 publish the Activities Classification Structure Data Book for
17 Michigan Community Colleges on or before March 1, 2007, for use by
18 the legislature during budget development for the fiscal year
19 ending September 30, 2008.

20 Sec. 502. (1) The auditor general or an independent public
21 accounting firm appointed by the auditor general shall audit data
22 for the fiscal year ending on June 30, 2006, as submitted to the
23 department of labor and economic growth by 7 randomly selected
24 community colleges, selected by the auditor general. A community
25 college shall maintain and provide those records necessary for the
26 auditor general or certified public accountant appointed by the

1 auditor general to determine the accuracy of the reported data. The
2 audits shall be based upon the definitions and requirements
3 contained in the 2001 Manual for Uniform Financial Reporting,
4 Michigan Public Community Colleges and the 2003 Activities
5 Classification Structure Manual for Michigan Community Colleges.
6 Before the submission of a final audit report, a community college
7 may appeal the findings of the preliminary report under an appeal
8 process to be established by the auditor general. The auditor
9 general shall submit a report of the findings to the house and
10 senate appropriations committees, the department of labor and
11 economic growth, and the state budget director before June 1, 2007.

12 (2) The auditor general or a certified public accountant
13 appointed by the auditor general may conduct performance audits of
14 community colleges as the auditor general considers necessary.

15 (3) Not more than 60 days after an audit report is released by
16 the office of the auditor general, the principal executive officer
17 of the community college that was audited shall submit to the house
18 and senate appropriations committees, the house and senate fiscal
19 agencies, the department of labor and economic growth, the auditor
20 general, and the state budget director a plan to comply with audit
21 recommendations. The plan shall contain projected dates and
22 resources required, if any, to achieve compliance with the audit
23 recommendations, or a documented explanation of the college's
24 noncompliance with the audit recommendations concerning the matters
25 on which the audited community college and office of the auditor
26 general disagree.

27 Sec. 503. The department of labor and economic growth shall

1 review the taxonomy of the 7 community colleges selected for the
2 audit under section 502 that is based on the 2003 Activities
3 Classification Structure Manual for Michigan Community Colleges.

4 Sec. 504. (1) A community college shall retain certified class
5 summaries, class lists, registration documents, and student
6 transcripts that are consistent with the taxonomy of courses. For
7 each enrollment period during the fiscal year, these certified
8 documents shall identify clearly by course the number of in-
9 district and out-of-district student credit and contact hours. The
10 class summaries and class lists shall be consistent with each other
11 and shall include the course prefix and numbers, course title,
12 course credit and contact hours, credit and contact hours generated
13 by each student, and activity classifications consistent with the
14 taxonomy. An auditable process shall be used by the community
15 college to determine the unduplicated head count for in-district
16 students, out-of-district students, and prisoners for each
17 enrollment period during the fiscal year.

18 (2) Contracts between the community college and agencies that
19 reimburse the community college for the costs of instruction shall
20 be retained for audit purposes.

21 Sec. 505. Each community college shall have an annual audit of
22 all income and expenditures performed by an independent auditor and
23 shall furnish the independent auditor's management letter and an
24 annual audited accounting of all general and current funds income
25 and expenditures including audits of college foundations to the
26 members of the senate and house appropriations subcommittees on
27 community colleges, the senate and house fiscal agencies, the

1 auditor general, the department of labor and economic growth, and
2 the state budget director before November 15, 2006. If a community
3 college fails to furnish the audit materials, the monthly state aid
4 installments shall be withheld from that college until the
5 information is submitted. All reporting shall conform to the
6 requirements set forth in the 2001 Manual for Uniform Financial
7 Reporting, Michigan Public Community Colleges.

8 Sec. 506. (1) Each community college shall report the
9 following to the department of labor and economic growth no later
10 than November 1, 2006:

11 (a) The number of North American Indian students enrolled each
12 term for the previous fiscal year, using guidelines and procedures
13 developed by the department of labor and economic growth and the
14 Michigan commission on Indian affairs.

15 (b) The number of Indian tuition waivers granted each term,
16 and the monetary value of the waivers for the previous fiscal year.

17 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
18 390.1251 to 390.1253, to determine eligibility for tuition waivers,
19 and shall grant those waivers to individuals who meet the criteria
20 and request tuition waivers.

21 (3) The department of labor and economic growth shall compile
22 the information received under subsection (1) and shall submit this
23 compilation to the house and senate appropriations subcommittees on
24 community colleges, the senate and house fiscal agencies, and the
25 state budget director by January 7, 2007.

26 Sec. 507. Upon request, a community college shall inform
27 interested Michigan high schools of the aggregate academic status

1 of its students for the prior academic year, in a manner prescribed
2 by the Michigan community college association and in cooperation
3 with the Michigan association of secondary school principals.

4 Sec. 508. (1) Each community college shall report to the house
5 and senate fiscal agencies, the state budget director, and the
6 department of labor and economic growth by August 31, 2006, the
7 tuition and mandatory fees paid by a full-time in-district student
8 and a full-time out-of-district student as established by the
9 college governing board for the 2006-2007 academic year. This
10 report should also include the annual cost of attendance based on a
11 full-time course load of 30 credits. Each community college shall
12 also report any revisions to the reported 2006-2007 academic year
13 tuition and mandatory fees adopted by the college governing board
14 to the house and senate fiscal agencies, the state budget director,
15 and the department of labor and economic growth within 15 days of
16 being adopted.

17 (2) The department of labor and economic growth shall prepare
18 and provide to community colleges a standard format for reporting
19 tuition and fees pursuant to subsection (1).

20 Sec. 509. (1) Each community college shall report to the
21 department of labor and economic growth the numbers and type of
22 associate degrees and other certificates awarded during the
23 previous fiscal year. The report shall be made not later than
24 November 15, 2006.

25 (2) The department of labor and economic growth shall compile
26 the information received under subsection (1) and shall submit this
27 compilation to the house and senate appropriations subcommittees on

1 community colleges, the senate and house fiscal agencies, and the
2 state budget director by January 7, 2007.

3 Sec. 510. A community college receiving funding under this
4 article and also subject to the student right-to-know and campus
5 security act, Public Law 101-542, 104 Stat. 2381, shall make a copy
6 of all material prepared in accordance with the public information
7 reporting requirements under the crime awareness and campus
8 security act of 1990, title II of the student right-to-know and
9 campus security act, Public Law 101-542, 104 Stat. 2384, available
10 in hard copy and electronic format accessible through the Internet
11 for school districts, parents, and students.

12 Sec. 511. (1) It is the intent of the legislature that the
13 frequency and scope of on-site visits, evaluations, audits, and
14 similar activities be limited to that which is reasonably necessary
15 to monitor the performance of community colleges and confirm the
16 accuracy of reported data. On-site visits, evaluations, audits, and
17 similar activities conducted to comply with the state plan approved
18 by the United States department of education under the Perkins act
19 shall be limited to those necessary to meet the requirements of the
20 state plan.

21 (2) In developing and implementing audit and reporting
22 requirements, including those included in current and proposed
23 state plans under the Perkins act, the department of labor and
24 economic growth shall consult with community colleges, the
25 legislative auditor general, and independent auditors in an effort
26 to coordinate activities and minimize duplication of audit and
27 reporting requirements imposed on community colleges.

1 (3) At least 30 days before submission of a new state plan to
2 the United States department of education for approval under the
3 Perkins act, the department of labor and economic growth shall
4 provide copies of the proposed plan to the members of the senate
5 and house appropriations subcommittees on community colleges for
6 their review and comment. Copies of the proposed plan shall be
7 provided to the senate and house fiscal agencies and the state
8 budget director at the same time that they are provided to the
9 senate and house subcommittees.

10 (4) The Perkins grant application process and content shall be
11 streamlined to the extent possible.

12 (5) As used in this section, "Perkins act" means the Carl D.
13 Perkins vocational and applied technology education act of 1998, 20
14 USC 2301 to 2415.

15 Sec. 513. The department of treasury shall annually collect
16 and compile data on the tax revenue losses to community colleges
17 resulting from tax increment financing authorities (TIFA) and tax
18 abatements. The department of treasury shall produce a report
19 detailing the data. The report shall be completed and presented to
20 the house and senate appropriations subcommittees on community
21 colleges, the department of career development, and the department
22 of management and budget not later than March 1, 2007. The report
23 shall include, but is not limited to, the following:

24 (a) Estimated revenue losses for each community college for
25 the calendar year 2006.

26 (b) Confirmed revenue losses for each community college for
27 the calendar years 2004 and 2005.

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(c) Other requirements requested by the house and senate

appropriations subcommittees on community colleges.

[PART 2A

PROVISIONS CONCERNING APPROPRIATIONS FOR
FISCAL YEAR 2005-2006

GENERAL SECTIONS

Sec. 1201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1A for fiscal year 2005-2006 is \$400,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$400,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$ 400,000
TOTAL.....	\$ 400,000

Sec. 1202. The appropriations authorized under part 1A of this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.]

ARTICLE 3

COMMUNITY HEALTH

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 4,652.1

Average population 1,109.0

GROSS APPROPRIATION..... \$ [10,907,016,800]

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

House Bill No. 5796 (H-2) as amended May 24, 2006 (2 of 2)

20	transfers	37,286,100
21	ADJUSTED GROSS APPROPRIATION.....	\$ [10,869,730,700]
22	Federal revenues:	
23	Total federal revenues.....	5,823,755,500
24	Special revenue funds:	
25	Total local revenues.....	241,177,400

House Bill No. 5796 (H-2) as amended May 24, 2006

1	Total private revenues.....	63,826,900
2	Merit award trust fund.....	141,200,000
3	Total other state restricted revenues.....	1,671,776,900
4	State general fund/general purpose.....	\$ [2,927,994,000]
5	Sec. 102. DEPARTMENTWIDE ADMINISTRATION (HEALTH)	
6	Full-time equated unclassified positions..... 6.0	
7	Full-time equated classified positions..... 207.0	
8	Director and other unclassified--6.0 FTE positions ...	\$ 581,500
9	Community health advisory council.....	7,000
10	Departmental administration and management--197.0 FTE	
11	positions	22,394,900
12	Worker's compensation program.....	9,600,000
13	Human resources optimization user charges.....	277,600
14	Rent and building occupancy.....	10,877,700
15	Developmental disabilities council and projects--10.0	
16	FTE positions	<u>2,724,000</u>
17	GROSS APPROPRIATION.....	\$ 46,462,700
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	11,646,500
21	Special revenue funds:	
22	Total private revenues.....	35,900
23	Total other state restricted revenues.....	3,488,400
24	State general fund/general purpose.....	\$ 31,291,900
25	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
26	ADMINISTRATION AND SPECIAL PROJECTS (HEALTH)	
27	Full-time equated classified positions..... 113.0	

House Bill No. 5796 (H-2) as amended May 24, 2006

1	Mental health/substance abuse program administration--	
2	112.0 FTE positions	\$ 12,507,600
3	Consumer involvement program.....	189,100
4	Gambling addiction--1.0 FTE position.....	3,500,000
5	Protection and advocacy services support	777,400
6	Mental health initiatives for older persons	1,291,200
7	Community residential and support services	2,906,800
8	Highway safety projects.....	400,000
9	Federal and other special projects	1,902,200
10	Family support subsidy.....	19,036,000
11	Housing and support services	7,806,800
12	Methamphetamine cleanup fund.....	100
13	[Cost allocation work group.....	100,000]
13	GROSS APPROPRIATION.....	\$ [50,417,200]
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	32,185,100
17	Special revenue funds:	
18	Total private revenues.....	190,000
19	Total other state restricted revenues	3,500,000
20	State general fund/general purpose	\$ [14,542,100]
21	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
22	SERVICES PROGRAMS (HEALTH)	
23	Full-time equated classified positions.....	9.5
24	Medicaid mental health services	\$ 1,797,294,900
25	Community mental health non-Medicaid services	317,772,300
26	Medicaid adult benefits waiver.....	40,000,000
27	Multicultural services.....	[5,163,800]

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1	Medicaid substance abuse services	35,622,900
2	Respite services	1,000,000
3	CMHSP, purchase of state services contracts	128,681,500
4	Civil service charges	1,765,500
5	Federal mental health block grant--2.5 FTE positions .	15,355,000
6	State disability assistance program substance abuse	
7	services	2,509,800
8	Community substance abuse prevention, education, and	
9	treatment programs	85,919,100
10	Children's waiver home care program	17,549,800
11	Omnibus reconciliation act implementation--7.0 FTE	
12	positions	12,505,200
13	Children with serious emotional disturbance waiver ...	<u>570,000</u>
14	GROSS APPROPRIATION	\$ [2,461,709,800]
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues	1,163,343,100
18	Special revenue funds:	
19	Total local revenues	26,072,100
20	Total other state restricted revenues	112,208,900
21	State general fund/general purpose	\$ [1,160,085,700]
22	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
23	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC	
24	AND PRISON MENTAL HEALTH SERVICES (HEALTH)	
25	Total average population	1,109.0
26	Full-time equated classified positions	2,900.3
27	Caro regional mental health center - psychiatric	

1	hospital - adult--482.3 FTE positions.....	\$	41,511,600
2	Average population		179.0
3	Kalamazoo psychiatric hospital - adult--466.6 FTE		
4	positions		40,392,200
5	Average population		186.0
6	Walter P. Reuther psychiatric hospital - adult--437.3		
7	FTE positions		40,549,700
8	Average population		236.0
9	Hawthorn center - psychiatric hospital - children and		
10	adolescents--219.0 FTE positions.....		19,483,900
11	Average population		74.0
12	Mount Pleasant center - developmental disabilities--		
13	472.7 FTE positions		42,954,900
14	Average population		209.0
15	Center for forensic psychiatry--493.0 FTE positions..		49,408,800
16	Average population		225.0
17	Forensic mental health services provided to the		
18	department of corrections--318.4 FTE positions.....		36,018,600
19	Revenue recapture.....		750,000
20	IDEA, federal special education.....		120,000
21	Special maintenance and equipment.....		335,300
22	Purchase of medical services for residents of		
23	hospitals and centers		2,045,600
24	Closed site, transition, and related costs--11.0 FTE		
25	positions		712,300
26	Severance pay.....		216,900
27	Gifts and bequests for patient living and treatment		

1	environment		<u>1,000,000</u>
2	GROSS APPROPRIATION.....	\$	275,499,800
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	Interdepartmental grant from the department of		
6	corrections		36,018,600
7	Federal revenues:		
8	Total federal revenues.....		35,269,100
9	Special revenue funds:		
10	CMHSP, purchase of state services contracts.....		128,681,500
11	Other local revenues.....		15,548,400
12	Total private revenues.....		1,000,000
13	Total other state restricted revenues.....		10,229,300
14	State general fund/general purpose.....	\$	48,752,900
15	Sec. 106. PUBLIC HEALTH ADMINISTRATION (HEALTH)		
16	Full-time equated classified positions.....	86.4	
17	Public health administration--11.0 FTE positions	\$	1,562,400
18	Minority health grants and contracts--3.0 FTE		
19	positions		1,192,500
20	Vital records and health statistics--72.4 FTE		
21	positions		<u>7,958,400</u>
22	GROSS APPROPRIATION.....	\$	10,713,300
23	Appropriated from:		
24	Interdepartmental grant revenues:		
25	Interdepartmental grant from the department of human		
26	services		724,100
27	Federal revenues:		

1	Total federal revenues.....	2,854,000
2	Special revenue funds:	
3	Total other state restricted revenues.....	5,572,700
4	State general fund/general purpose.....	\$ 1,562,500
5	Sec. 107. HEALTH POLICY, REGULATION, AND	
6	PROFESSIONS (HEALTH)	
7	Full-time equated classified positions.....	405.6
8	Health systems administration--193.6 FTE positions ...	\$ 21,620,000
9	Emergency medical services program state staff--8.5	
10	FTE positions	1,423,500
11	Radiological health administration--21.4 FTE positions	2,506,700
12	Substance abuse program administration--1.0 FTE	
13	position	64,400
14	Emergency medical services grants and services--7.0	
15	FTE positions	588,900
16	Health professions--125.0 FTE positions.....	15,205,400
17	Health policy, regulation, and professions	
18	administration--29.7 FTE positions.....	5,366,800
19	Nurse scholarship, education, and research program--	
20	3.0 FTE positions	903,800
21	Certificate of need program administration--14.0 FTE	
22	positions	1,726,400
23	Rural health services--1.0 FTE position.....	1,390,500
24	Michigan essential health provider.....	1,847,100
25	Primary care services--1.4 FTE positions.....	<u>2,265,600</u>
26	GROSS APPROPRIATION.....	\$ 54,909,100
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	Interdepartmental grant from treasury.....	113,000
3	Federal revenues:	
4	Total federal revenues.....	22,559,600
5	Special revenue funds:	
6	Total local revenues.....	227,700
7	Total private revenues.....	150,000
8	Total other state restricted revenues.....	24,150,900
9	State general fund/general purpose.....	\$ 7,707,900
10	Sec. 108. INFECTIOUS DISEASE CONTROL (HEALTH)	
11	Full-time equated classified positions.....	49.0
12	AIDS prevention, testing, and care programs--	12.0 FTE
13	positions	\$ 37,428,800
14	Immunization local agreements.....	13,990,300
15	Immunization program management and field support--	
16	15.0 FTE positions	1,930,700
17	Pediatric AIDS prevention and control.....	1,224,800
18	Sexually transmitted disease control local agreements	3,423,200
19	Sexually transmitted disease control management and	
20	field support--22.0 FTE positions.....	<u>3,624,900</u>
21	GROSS APPROPRIATION.....	\$ 61,622,700
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	40,921,800
25	Special revenue funds:	
26	Total private revenues.....	7,997,900
27	Total other state restricted revenues.....	9,648,000

1	State general fund/general purpose.....	\$	3,055,000
2	Sec. 109. LABORATORY SERVICES (HEALTH)		
3	Full-time equated classified positions.....	122.0	
4	Bovine tuberculosis--2.0 FTE positions.....	\$	500,000
5	Laboratory services--120.0 FTE positions.....		<u>15,543,700</u>
6	GROSS APPROPRIATION.....	\$	16,043,700
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	Interdepartmental grant from environmental quality...		430,400
10	Federal revenues:		
11	Total federal revenues.....		3,093,200
12	Special revenue funds:		
13	Total other state restricted revenues.....		5,613,800
14	State general fund/general purpose.....	\$	6,906,300
15	Sec. 110. EPIDEMIOLOGY (HEALTH)		
16	Full-time equated classified positions.....	134.5	
17	AIDS surveillance and prevention program.....	\$	2,419,900
18	Asthma prevention and control--2.3 FTE positions.....		1,055,300
19	Bioterrorism preparedness--76.1 FTE positions.....		50,605,200
20	Epidemiology administration--41.1 FTE positions.....		6,640,100
21	Lead abatement program--7.0 FTE positions.....		2,143,400
22	Newborn screening follow-up and treatment services--		
23	8.0 FTE positions		3,862,300
24	Tuberculosis control and recalcitrant AIDS program...		<u>867,000</u>
25	GROSS APPROPRIATION.....	\$	67,593,200
26	Appropriated from:		
27	Federal revenues:		

1	Total federal revenues.....	61,099,500
2	Special revenue funds:	
3	Total private revenues.....	25,000
4	Total other state restricted revenues.....	4,307,600
5	State general fund/general purpose.....	\$ 2,161,100
6	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
7	(HEALTH)	
8	Implementation of 1993 PA 133, MCL 333.17015	\$ 100,000
9	Local health services.....	220,000
10	Local public health operations.....	40,618,400
11	Medical services cost reimbursement to local health	
12	departments	<u>3,110,000</u>
13	GROSS APPROPRIATION.....	\$ 44,048,400
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	3,110,000
17	Special revenue funds:	
18	Total local revenues.....	5,150,000
19	Total other state restricted revenues.....	243,500
20	State general fund/general purpose.....	\$ 35,544,900
21	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
22	HEALTH PROMOTION (HEALTH)	
23	Full-time equated classified positions..... 65.5	
24	African-American male health initiative.....	\$ 106,700
25	AIDS and risk reduction clearinghouse and media	
26	campaign	1,576,000
27	Alzheimer's information network.....	412,900

1	Cancer prevention and control program--15.3 FTE	
2	positions	15,145,400
3	Chronic disease prevention--10.0 FTE positions	4,316,900
4	Diabetes and kidney program--11.1 FTE positions	3,951,400
5	Health education, promotion, and research programs--	
6	9.3 FTE positions	770,000
7	Injury control intervention project--1.0 FTE position	100,900
8	Morris Hood Wayne State University diabetes outreach.	400,000
9	Public health traffic safety coordination--1.7 FTE	
10	positions	584,900
11	Smoking prevention program--15.1 FTE positions	5,632,400
12	Tobacco tax collection and enforcement	610,000
13	Violence prevention--2.0 FTE positions	1,896,900
14	WIC smoking reduction program.....	<u>200,000</u>
15	GROSS APPROPRIATION.....	\$ 35,704,400
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues.....	19,987,500
19	Special revenue funds:	
20	Total private revenues.....	85,000
21	Total other state restricted revenues.....	14,900,000
22	State general fund/general purpose.....	\$ 731,900
23	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
24	SERVICES (HEALTH)	
25	Full-time equated classified positions.....	48.4
26	Childhood lead program--6.8 FTE positions.....	\$ 2,736,100
27	Dental programs.....	485,400

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1	Dental program for persons with developmental	
2	disabilities	151,000
3	Family, maternal, and children's health services	
4	administration--39.6 FTE positions.....	4,590,600
5	Family planning local agreements.....	12,270,300
6	Local MCH services.....	7,264,200
7	Migrant health care.....	272,200
8	Pregnancy prevention program.....	5,733,400
9	Prenatal care outreach and service delivery support ..	5,249,300
10	School health and education programs.....	500,000
11	Special projects--2.0 FTE positions.....	5,404,900
12	Sudden infant death syndrome program.....	321,300
13	[Ultrasound equipment fund.....	100,000]
13	GROSS APPROPRIATION.....	\$ [45,078,700]
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	31,216,300
17	Special revenue funds:	
18	Total other state restricted revenues.....	9,114,000
19	State general fund/general purpose.....	\$ [4,748,400]
20	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND	
21	NUTRITION PROGRAM (HEALTH)	
22	Full-time equated classified positions..... 41.0	
23	Women, infants, and children program administration	
24	and special projects--41.0 FTE positions.....	\$ 6,681,000
25	Women, infants, and children program local agreements	
26	and food costs	<u>179,272,000</u>
27	GROSS APPROPRIATION.....	\$ 185,953,000

1	Appropriated from:		
2	Federal revenues:		
3	Total federal revenues.....		132,714,900
4	Special revenue funds:		
5	Total private revenues.....		53,238,100
6	State general fund/general purpose.....	\$	0
7	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
8	(HEALTH)		
9	Full-time equated classified positions.....	44.0	
10	Children's special health care services		
11	administration--44.0 FTE positions.....	\$	4,296,900
12	Amputee program.....		184,600
13	Bequests for care and services.....		1,889,100
14	Outreach and advocacy.....		3,773,500
15	Non-emergency medical transportation.....		1,289,100
16	Medical care and treatment.....		<u>185,426,400</u>
17	GROSS APPROPRIATION.....	\$	196,859,600
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues.....		95,909,800
21	Special revenue funds:		
22	Total private revenues.....		1,000,000
23	Total other state restricted revenues.....		2,584,500
24	State general fund/general purpose.....	\$	97,365,300
25	Sec. 116. OFFICE OF DRUG CONTROL POLICY (SAFETY)		
26	Full-time equated classified positions.....	16.0	
27	Drug control policy--16.0 FTE positions.....	\$	2,104,600

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1	Anti-drug abuse grants.....		[16,105,300]
2	Interdepartmental grant to judiciary for drug		
3	treatment courts		<u>1,799,900</u>
4	GROSS APPROPRIATION.....	\$	[20,009,800]
5	Appropriated from:		
6	Federal revenues:		
7	Total federal revenues.....		18,399,300
8	Special revenue funds:		
9	State general fund/general purpose	\$	[1,610,500]
10	Sec. 117. CRIME VICTIM SERVICES COMMISSION		
11	(VULNERABLE)		
12	Full-time equated classified positions.....	10.0	
13	Grants administration services--10.0 FTE positions ...	\$	1,087,500
14	Justice assistance grants.....		13,000,000
15	Crime victim rights services grants.....		<u>10,800,000</u>
16	GROSS APPROPRIATION.....	\$	24,887,500
17	Appropriated from:		
18	Federal revenues:		
19	Total federal revenues.....		14,770,300
20	Special revenue funds:		
21	Total other state restricted revenues.....		10,117,200
22	State general fund/general purpose	\$	0
23	Sec. 118. OFFICE OF SERVICES TO THE AGING		
24	(VULNERABLE)		
25	Full-time equated classified positions.....	36.5	
26	Commission (per diem \$50.00)	\$	10,500
27	Office of services to aging administration--36.5 FTE		

1	positions	5,324,100
2	Community services.....	35,204,200
3	Nutrition services.....	37,290,500
4	Foster grandparent volunteer program.....	2,813,500
5	Retired and senior volunteer program.....	790,200
6	Senior companion volunteer program.....	2,021,200
7	Employment assistance.....	2,818,300
8	Respite care program.....	<u>7,600,000</u>
9	GROSS APPROPRIATION.....	\$ 93,872,500
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues.....	52,251,400
13	Special revenue funds:	
14	Total private revenues.....	105,000
15	Merit award trust fund.....	5,000,000
16	Total other state restricted revenues.....	2,767,000
17	State general fund/general purpose.....	\$ 33,749,100
18	Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN (HEALTH)	
19	Michigan first healthcare plan.....	\$ <u>100</u>
20	GROSS APPROPRIATION.....	\$ 100
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues.....	100
24	Special revenue funds:	
25	State general fund/general purpose.....	\$ 0
26	Sec. 120. MEDICAL SERVICES ADMINISTRATION (HEALTH)	
27	Full-time equated classified positions.....	363.4

House Bill No. 5796 (H-2) as amended May 24, 2006

1	Medical services administration--363.4 FTE positions .	\$	66,846,100
2	Facility inspection contract - labor and economic		
3	growth		132,800
4	MICild administration.....		4,327,800
5	Health information technology initiatives.....		<u>9,500,000</u>
6	GROSS APPROPRIATION.....	\$	80,806,700
7	Appropriated from:		
8	Federal revenues:		
9	Total federal revenues.....		55,047,900
10	Special revenue funds:		
11	State general fund/general purpose.....	\$	25,758,800
12	Sec. 121. MEDICAL SERVICES (HEALTH)		
13	Hospital services and therapy.....	\$	[1,235,103,200]
14	Hospital disproportionate share payments.....		50,000,000
15	Physician services.....		[290,586,500]
16	Medicare premium payments.....		308,097,700
17	Pharmaceutical services.....		39,944,900
18	Home health services.....		5,580,300
19	Hospice services.....		61,660,700
20	Transportation.....		6,826,500
21	Auxiliary medical services.....		5,621,300
22	Dental services.....		105,000,000
23	Ambulance services.....		13,541,500
24	Long-term care services.....		1,605,681,600
25	Medicaid home and community-based services waiver....		100,000,000
26	Adult home help services.....		206,406,700
27	Personal care services.....		25,509,700

House Bill No. 5796 (H-2) as amended May 24, 2006

1	Program of all-inclusive care for the elderly.....	11,200,000
2	Single point of entry.....	9,000,000
3	Health plan services.....	[2,197,305,200]
4	MiChild program.....	46,575,600
5	Medicaid adult benefits waiver.....	106,608,600
6	Maternal and child health.....	20,279,500
7	Social services to the physically disabled.....	1,344,900
8	Federal Medicare pharmaceutical program.....	185,877,100
9	Promotion of healthy behavior waiver.....	9,999,900
10	County indigent care and third share plans.....	88,518,500
11	Subtotal basic medical services program.....	6,736,269,900
12	School-based services.....	76,235,400
13	Special Medicaid reimbursement.....	290,892,200
14	Subtotal special medical services payments.....	<u>367,127,600</u>
15	GROSS APPROPRIATION.....	\$ 7,103,397,500
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues.....	4,008,079,600
19	Special revenue funds:	
20	Total local revenues.....	65,497,700
21	Merit award trust fund.....	136,200,000
22	Total other state restricted revenues.....	1,450,274,200
23	State general fund/general purpose.....	\$ 1,443,346,000
24	Sec. 122. INFORMATION TECHNOLOGY (HEALTH)	
25	Information technology services and projects.....	\$ 31,427,000
26	Michigan Medicaid information system.....	<u>100</u>
27	GROSS APPROPRIATION.....	\$ 31,427,100

House Bill No. 5796 (H-2) as amended May 24, 2006

1 Appropriated from:

2 Federal revenues:

3 Total federal revenues..... 19,296,500

4 Special revenue funds:

5 Total other state restricted revenues..... 3,056,900

6 State general fund/general purpose..... \$ 9,073,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

10 Sec. 201. Pursuant to section 30 of article IX of the state

11 constitution of 1963, total state spending from state resources

12 under part 1 for fiscal year 2006-2007 is [\$4,740,970,900.00] and

13 state spending from state resources to be paid to units of local

14 government for fiscal year 2006-2007 is [\$1,316,708,700.00]. The

15 itemized statement below identifies appropriations from which

16 spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

AND SPECIAL PROJECTS

20 Community residential and support services..... \$ 387,300

21 Housing and support services..... 695,500

22 Methamphetamine cleanup fund..... 100

23 Mental health initiatives for older persons..... 1,049,200

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

25 State disability assistance program substance

House Bill No. 5796 (H-2) as amended May 24, 2006

1	abuse services	\$	2,509,800
2	Community substance abuse prevention, education, and		
3	treatment programs		19,190,500
4	Medicaid mental health services		757,907,600
5	Community mental health non-Medicaid services		317,772,300
6	Medicaid adult benefits waiver		12,212,000
7	Multicultural services		[5,163,800]
8	Medicaid substance abuse services		15,538,700
9	Respite services		1,000,000
10	Children's waiver home care program		1,556,400
11	Omnibus budget reconciliation act implementation		2,897,400
12	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
13	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
14	MENTAL HEALTH SERVICES		
15	Center for forensic psychiatry	\$	290,300
16	PUBLIC HEALTH ADMINISTRATION		
17	Minority health grants and contracts	\$	100,000
18	Public health administration		76,000
19	HEALTH POLICY, REGULATION AND PROFESSIONS		
20	Health professions	\$	99,700
21	Primary care services		341,900
22	INFECTIOUS DISEASE CONTROL		
23	AIDS prevention, testing and care programs	\$	742,200
24	Immunization local agreements		2,132,000
25	Sexually transmitted disease control local agreements		430,900
26	LABORATORY SERVICES		
27	Laboratory services	\$	55,400

1	LOCAL HEALTH ADMINISTRATION AND GRANTS		
2	Implementation of 1993 PA 133	\$	7,700
3	Local public health operations		35,468,400
4	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
5	Cancer prevention and control program	\$	137,300
6	Diabetes and kidney program		370,600
7	Smoking prevention program		1,014,500
8	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
9	Childhood lead program	\$	136,500
10	Dental programs		25,000
11	Family planning local agreements		360,000
12	Local MCH services		322,200
13	Pregnancy prevention program		2,300,000
14	Prenatal care outreach and service delivery support ..		650,100
15	School health and education programs		500,000
16	Special projects		378,900
17	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
18	Medical care and treatment	\$	528,800
19	Outreach and advocacy		1,283,200
20	MEDICAL SERVICES		
21	Long-term care services	\$	81,711,500
22	Transportation		1,401,300
23	Medicaid adult benefits waiver		9,573,500
24	OFFICE OF SERVICES TO THE AGING		
25	Community services	\$	15,054,300
26	Nutrition services		11,447,300
27	Foster grandparent volunteer program		791,700

House Bill No. 5796 (H-2) as amended May 24, 2006

1	Retired and senior volunteer program.....	181,300
2	Senior companion volunteer program.....	241,400
3	Respite care program.....	4,227,400
4	CRIME VICTIM SERVICES COMMISSION	
5	Crime victim rights services grants.....	\$ <u>6,446,800</u>
6	TOTAL OF PAYMENTS TO LOCAL UNITS	
7	OF GOVERNMENT.....	\$ [1,516,708,700]

8 Sec. 202. (1) The appropriations authorized under this article
9 are subject to the management and budget act, 1984 PA 431, MCL
10 18.1101 to 18.1594.

11 (2) Funds for which the state is acting as the custodian or
12 agent are not subject to annual appropriation.

13 Sec. 203. As used in this article:

14 (a) "AIDS" means acquired immunodeficiency syndrome.

15 (b) "CMHSP" means a community mental health services program
16 as that term is defined in section 100a of the mental health code,
17 1974 PA 258, MCL 330.1100a.

18 (c) "Department" means the Michigan department of community
19 health.

20 (d) "DSH" means disproportionate share hospital.

21 (e) "EPSDT" means early and periodic screening, diagnosis, and
22 treatment.

23 (f) "FTE" means full-time equated.

24 (g) "GME" means graduate medical education.

25 (h) "Health plan" means, at a minimum, an organization that
26 meets the criteria for delivering the comprehensive package of
27 services under the department's comprehensive health plan.

1 (i) "HIV/AIDS" means human immunodeficiency virus/acquired
2 immune deficiency syndrome.

3 (j) "HMO" means health maintenance organization.

4 (k) "IDEA" means individuals with disabilities education act.

5 (l) "IDG" means interdepartmental grant.

6 (m) "MCH" means maternal and child health.

7 (n) "MIChild" means the program described in section 1670.

8 (o) "MSS/ISS" means maternal and infant support services.

9 (p) "Specialty prepaid health plan" means a program described
10 in section 232b of the mental health code, 1974 PA 258, MCL
11 330.1232b.

12 (q) "Title XVIII" means title XVIII of the social security
13 act, 42 USC 1395 to 1395hhh.

14 (r) "Title XIX" means title XIX of the social security act, 42
15 USC 1396 to 1396v.

16 (s) "Title XX" means title XX of the social security act, 49
17 USC 1397 to 1397f.

18 (t) "WIC" means women, infants, and children supplemental
19 nutrition program.

20 Sec. 204. The department of civil service shall bill the
21 department at the end of the first fiscal quarter for the 1% charge
22 authorized by section 5 of article XI of the state constitution of
23 1963. Payments shall be made for the total amount of the billing by
24 the end of the second fiscal quarter.

25 Sec. 205. (1) A hiring freeze is imposed on the state
26 classified civil service. State departments and agencies are
27 prohibited from hiring any new state classified civil service

1 employees and prohibited from filling any vacant state classified
2 civil service positions. This hiring freeze does not apply to
3 internal transfers of classified employees from 1 position to
4 another within a department.

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

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

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

26 (2) Funds appropriated in part 1 shall not be used for the
27 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. The director 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. The 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. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 212. (1) From the amounts appropriated in part 1, no greater than the following amounts are supported with federal maternal and child health block grant, preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds:

(a) Maternal and child health block grant	\$	21,162,400
(b) Preventive health and health services		
block grant		4,534,000
(c) Substance abuse block grant		60,496,600
(d) Healthy Michigan fund		43,551,000
(e) Michigan health initiative		12,000,000

(2) On or before February 1, 2007, the department shall report to the house of representatives and senate appropriations

1 subcommittees on community health, the house and senate fiscal
2 agencies, and the state budget director on the detailed name and
3 amounts of federal, restricted, private, and local sources of
4 revenue that support the appropriations in each of the line items
5 in part 1 of this article.

6 (3) Upon the release of the fiscal year 2007-2008 executive
7 budget recommendation, the department shall report to the same
8 parties in subsection (2) on the amounts and detailed sources of
9 federal, restricted, private, and local revenue proposed to support
10 the total funds appropriated in each of the line items in part 1 of
11 the fiscal year 2007-2008 executive budget proposal.

12 (4) The department shall provide to the same parties in
13 subsection (2) all revenue source detail for consolidated revenue
14 line item detail upon request to the department.

15 Sec. 213. The state departments, agencies, and commissions
16 receiving tobacco tax funds from part 1 shall report by April 1,
17 2007, to the senate and house of representatives appropriations
18 committees, the senate and house fiscal agencies, and the state
19 budget director on the following:

20 (a) Detailed spending plan by appropriation line item
21 including description of programs.

22 (b) Description of allocations or bid processes including need
23 or demand indicators used to determine allocations.

24 (c) Eligibility criteria for program participation and maximum
25 benefit levels where applicable.

26 (d) Outcome measures to be used to evaluate programs.

27 (e) Any other information considered necessary by the house of

1 representatives or senate appropriations committees or the state
2 budget director.

3 Sec. 214. The use of state-restricted tobacco tax revenue
4 received for the purpose of tobacco prevention, education, and
5 reduction efforts and deposited in the healthy Michigan fund shall
6 not be used for lobbying as defined in 1978 PA 472, MCL 4.411 to
7 4.431, and shall not be used in attempting to influence the
8 decisions of local units of government, the legislature, the
9 governor, or any state agency.

10 Sec. 216. (1) In addition to funds appropriated in part 1 for
11 all programs and services, there is appropriated for write-offs of
12 accounts receivable, deferrals, and for prior year obligations in
13 excess of applicable prior year appropriations, an amount equal to
14 total write-offs and prior year obligations, but not to exceed
15 amounts available in prior year revenues.

16 (2) The department's ability to satisfy appropriation
17 deductions in part 1 shall not be limited to collections and
18 accruals pertaining to services provided in the current fiscal
19 year, but shall also include reimbursements, refunds, adjustments,
20 and settlements from prior years.

21 (3) The department shall report by March 15, 2007 to the house
22 of representatives and senate appropriations subcommittees on
23 community health on all reimbursements, refunds, adjustments, and
24 settlements from prior years.

25 Sec. 218. Basic health services for the purpose of part 23 of
26 the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are:
27 immunizations, communicable disease control, sexually transmitted

1 disease control, tuberculosis control, prevention of gonorrhea eye
2 infection in newborns, screening newborns for the 8 conditions
3 listed in section 5431(1)(a) through (h) of the public health code,
4 1978 PA 368, MCL 333.5431, community health annex of the Michigan
5 emergency management plan, and prenatal care.

6 Sec. 219. (1) The department may contract with the Michigan
7 public health institute for the design and implementation of
8 projects and for other public health related activities prescribed
9 in section 2611 of the public health code, 1978 PA 368, MCL
10 333.2611. The department may develop a master agreement with the
11 institute to carry out these purposes for up to a 3-year period.
12 The department shall report to the house of representatives and
13 senate appropriations subcommittees on community health, the house
14 and senate fiscal agencies, and the state budget director on or
15 before November 1, 2006 and May 1, 2007 all of the following:

16 (a) A detailed description of each funded project.

17 (b) The amount allocated for each project, the appropriation
18 line item from which the allocation is funded, and the source of
19 financing for each project.

20 (c) The expected project duration.

21 (d) A detailed spending plan for each project, including a
22 list of all subgrantees and the amount allocated to each
23 subgrantee.

24 (2) If a report required under subsection (1) is not received
25 by the house of representatives and senate appropriations
26 subcommittees on community health, the house and senate fiscal
27 agencies, and the state budget director on or before the date

1 specified for that report, the disbursement of funds to the
2 Michigan public health institute under this section shall stop. The
3 disbursement of those funds shall recommence when the overdue
4 report is received.

5 (3) On or before September 30, 2007, the department shall
6 provide to the same parties listed in subsection (1) a copy of all
7 reports, studies, and publications produced by the Michigan public
8 health institute, its subcontractors, or the department with the
9 funds appropriated in part 1 and allocated to the Michigan public
10 health institute.

11 Sec. 220. All contracts with the Michigan public health
12 institute funded with appropriations in part 1 shall include a
13 requirement that the Michigan public health institute submit to
14 financial and performance audits by the state auditor general of
15 projects funded with state appropriations.

16 Sec. 223. The department of community health may establish and
17 collect fees for publications, videos and related materials,
18 conferences, and workshops. Collected fees shall be used to offset
19 expenditures to pay for printing and mailing costs of the
20 publications, videos and related materials, and costs of the
21 workshops and conferences. The costs shall not exceed fees
22 collected.

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

1 agencies and the department of information technology.

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

9 Sec. 261. Funds appropriated in part 1 for the Medicaid
10 management information system upgrade are contingent upon approval
11 of an advanced planning document from the centers for Medicare and
12 Medicaid services. If the necessary matching funds are identified
13 and legislatively transferred to this line item, the corresponding
14 federal Medicaid revenue shall be appropriated at a 90/10
15 federal/state match rate. This appropriation may be designated as
16 a work project and carried forward to support completion of this
17 project.

18 Sec. 264. Upon submission of a Medicaid waiver, a Medicaid
19 state plan amendment, or a similar proposal to the centers for
20 Medicare and Medicaid services, the department shall notify the
21 house of representatives and senate appropriations subcommittees on
22 community health and the house and senate fiscal agencies of the
23 submission.

24 Sec. 265. The departments and agencies receiving
25 appropriations in part 1 shall receive and retain copies of all
26 reports funded from appropriations in part 1. Federal and state
27 guidelines for short-term and long-term retention of records shall

1 be followed.

2 Sec. 266. (1) Due to the current budgetary problems in this
3 state, out-of-state travel for the fiscal year ending September 30,
4 2007 shall be limited to situations in which 1 or more of the
5 following conditions apply:

6 (a) The travel is required by legal mandate or court order or
7 for law enforcement purposes.

8 (b) The travel is necessary to protect the health or safety of
9 Michigan citizens or visitors or to assist other states in similar
10 circumstances.

11 (c) The travel is necessary to produce budgetary savings or to
12 increase state revenues, including protecting existing federal
13 funds or securing additional federal funds.

14 (d) The travel is necessary to comply with federal
15 requirements.

16 (e) The travel is necessary to secure specialized training for
17 staff that is not available within this state.

18 (f) The travel is financed entirely by federal or nonstate
19 funds.

20 (2) If out-of-state travel is necessary but does not meet 1 or
21 more of the conditions in subsection (1), the state budget director
22 may grant an exception to allow the travel. Any exceptions granted
23 by the state budget director shall be reported on a monthly basis
24 to the house of representatives and senate standing committees on
25 appropriations.

26 (3) Not later than January 1 of each year, each department
27 shall prepare a travel report listing all travel by classified and

1 unclassified employees outside this state in the immediately
2 preceding fiscal year that was funded in whole or in part with
3 funds appropriated in the department's budget. The report shall be
4 submitted to the chairs and members of the house of representatives
5 and senate standing committees on appropriations, the fiscal
6 agencies, and the state budget director. The report shall include
7 the following information:

8 (a) The name of each person receiving reimbursement for travel
9 outside this state or whose travel costs were paid by this state.

10 (b) The destination of each travel occurrence.

11 (c) The dates of each travel occurrence.

12 (d) A brief statement of the reason for each travel
13 occurrence.

14 (e) The transportation and related costs of each travel
15 occurrence, including the proportion funded with state general
16 fund/general purpose revenues, the proportion funded with state
17 restricted revenues, the proportion funded with federal revenues,
18 and the proportion funded with other revenues.

19 (f) A total of all out-of-state travel funded for the
20 immediately preceding fiscal year.

21 Sec. 267. A department or state agency shall not take
22 disciplinary action against an employee for communicating with a
23 member of the legislature or his or her staff.

24 Sec. 269. (1) Of the amount appropriated in part 1 for
25 Medicaid mental health services, \$149,136,400.00 is for prepaid
26 inpatient health plan reimbursement of antipsychotic prescriptions
27 under the Medicaid program. All of the following conditions shall

1 apply to this arrangement:

2 (a) The department shall develop uniform statewide procedures
3 and practices to be followed by the prepaid inpatient health plans.
4 These procedures and practices shall adhere to the requirements of
5 section 1625 and section 109h of the social welfare act, 1939 PA
6 280, MCL 400.109h.

7 (b) The department shall include the actual cost of
8 antipsychotic prescriptions, net of actual rebates, into the
9 actuarially sound capitation rates for the prepaid inpatient health
10 plans.

11 (c) The department shall develop and implement training for
12 prepaid inpatient health programs regarding billing processes
13 required for reimbursement under this section.

14 (2) Of the amount appropriated in part 1 for health plan
15 services, \$86,674,300.00 is for Medicaid health plan reimbursement
16 of antidepressant prescriptions under the Medicaid program. All of
17 the following conditions shall apply to this arrangement:

18 (a) The department shall develop uniform statewide procedures
19 and practices to be followed by the Medicaid health plans. These
20 procedures shall adhere to the requirements of section 1625 and all
21 provisions of the department's fiscal year 2005-2006 contract with
22 Medicaid health plans.

23 (b) The department shall include the actual cost of
24 antidepressant prescriptions, net of actual rebates, into the
25 actuarially sound capitation rates for the Medicaid health plans.

26 (3) Medicaid reimbursement of mental health prescriptions that
27 are neither antipsychotics nor antidepressants shall be made from

1 the medical services pharmaceutical services line in part 1. The
2 department shall utilize the same operational procedures for these
3 medications that were followed in fiscal year 2005-2006 and shall
4 adhere to the requirements of section 109h of the social welfare
5 act, 1939 PA 280, MCL 400.109h.

6 (4) The directors of the medical services administration and
7 the department's mental health and substance abuse administration
8 shall provide a joint quarterly report to the house of
9 representatives, senate, and the senate and house fiscal agencies
10 on the coordination of psychotropic medications under this section.

11 **DEPARTMENTWIDE ADMINISTRATION**

12 Sec. 301. From funds appropriated for worker's compensation,
13 the department may make payments in lieu of worker's compensation
14 payments for wage and salary and related fringe benefits for
15 employees who return to work under limited duty assignments.

16 Sec. 303. The department is prohibited from requiring first-
17 party payment from individuals or families with a taxable income of
18 \$10,000.00 or less for mental health services for determinations
19 made in accordance with section 818 of the mental health code, 1974
20 PA 258, MCL 330.1818.

21 **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL** 22 **PROJECTS**

23 Sec. 350. The department may enter into a contract with the
24 protection and advocacy service, authorized under section 931 of
25 the mental health code, 1974 PA 258, MCL 330.1931, or a similar

1 organization to provide legal services for purposes of gaining and
2 maintaining occupancy in a community living arrangement which is
3 under lease or contract with the department or a community mental
4 health services program to provide services to persons with mental
5 illness or developmental disability.

6 Sec. 351. From the funds appropriated in part 1 for the
7 methamphetamine cleanup fund, the department shall allow local
8 governments to apply for money to cover their administrative costs
9 associated with methamphetamine cleanup efforts.

10 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

11 Sec. 401. Funds appropriated in part 1 are intended to support
12 a system of comprehensive community mental health services under
13 the full authority and responsibility of local CMHSPs or specialty
14 prepaid health plans. The department shall ensure that each CMHSP
15 or specialty prepaid health plan provides all of the following:

16 (a) A system of single entry and single exit.

17 (b) A complete array of mental health services which shall
18 include, but shall not be limited to, all of the following
19 services: residential and other individualized living arrangements,
20 outpatient services, acute inpatient services, and long-term, 24-
21 hour inpatient care in a structured, secure environment.

22 (c) The coordination of inpatient and outpatient hospital
23 services through agreements with state-operated psychiatric
24 hospitals, units, and centers in facilities owned or leased by the
25 state, and privately-owned hospitals, units, and centers licensed

1 by the state pursuant to sections 134 through 149b of the mental
2 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

3 (d) Individualized plans of service that are sufficient to
4 meet the needs of individuals, including those discharged from
5 psychiatric hospitals or centers, and that ensure the full range of
6 recipient needs is addressed through the CMHSP's or specialty
7 prepaid health plan's program or through assistance with locating
8 and obtaining services to meet these needs.

9 (e) A system of case management to monitor and ensure the
10 provision of services consistent with the individualized plan of
11 services or supports.

12 (f) A system of continuous quality improvement.

13 (g) A system to monitor and evaluate the mental health
14 services provided.

15 (h) A system that serves at-risk and delinquent youth as
16 required under the provisions of the mental health code, 1974 PA
17 258, MCL 330.1001 to 330.2106.

18 Sec. 402. (1) From funds appropriated in part 1, final
19 authorizations to CMHSPs or specialty prepaid health plans shall be
20 made upon the execution of contracts between the department and
21 CMHSPs or specialty prepaid health plans. The contracts shall
22 contain an approved plan and budget as well as policies and
23 procedures governing the obligations and responsibilities of both
24 parties to the contracts. Each contract with a CMHSP or specialty
25 prepaid health plan that the department is authorized to enter into
26 under this subsection shall include a provision that the contract
27 is not valid unless the total dollar obligation for all of the

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1 contracts between the department and the CMHSPs or specialty
2 prepaid health plans entered into under this subsection for fiscal
3 year 2006-2007 does not exceed the amount of money appropriated in
4 part 1 for the contracts authorized under this subsection.

5 (2) The department shall immediately report to the senate and
6 house of representatives appropriations subcommittees on community
7 health, the senate and house fiscal agencies, and the state budget
8 director if either of the following occurs:

9 (a) Any new contracts with CMHSPs or specialty prepaid health
10 plans that would affect rates or expenditures are enacted.

11 (b) Any amendments to contracts with CMHSPs or specialty
12 prepaid health plans that would affect rates or expenditures are
13 enacted.

14 (3) The report required by subsection (2) shall include
15 information about the changes and their effects on rates and
16 expenditures.

17 [Sec. 403. From the funds appropriated in part 1 for multicultural
18 services, the department shall ensure that CMHSPs or specialty prepaid
19 health plans meet with multicultural service providers to develop a
20 workable framework for contracting, service delivery, and reimbursement.]

21 Sec. 404. (1) Not later than May 31 of each fiscal year, the
22 department shall provide a report on the community mental health
23 services programs to the members of the house of representatives
24 and senate appropriations subcommittees on community health, the
25 house and senate fiscal agencies, and the state budget director
26 that includes the information required by this section.

27 (2) The report shall contain information for each CMHSP or

1 specialty prepaid health plan and a statewide summary, each of
2 which shall include at least the following information:

3 (a) A demographic description of service recipients which,
4 minimally, shall include reimbursement eligibility, client
5 population, age, ethnicity, housing arrangements, and diagnosis.

6 (b) Per capita expenditures by client population group.

7 (c) Financial information which, minimally, shall include a
8 description of funding authorized; expenditures by client group and
9 fund source; and cost information by service category, including
10 administration. Service category shall include all department
11 approved services.

12 (d) Data describing service outcomes which shall include, but
13 not be limited to, an evaluation of consumer satisfaction, consumer
14 choice, and quality of life concerns including, but not limited to,
15 housing and employment.

16 (e) Information about access to community mental health
17 services programs which shall include, but not be limited to, the
18 following:

19 (i) The number of people receiving requested services.

20 (ii) The number of people who requested services but did not
21 receive services.

22 (f) The number of second opinions requested under the code and
23 the determination of any appeals.

24 (g) An analysis of information provided by community mental
25 health service programs in response to the needs assessment
26 requirements of the mental health code, including information about
27 the number of persons in the service delivery system who have

1 requested and are clinically appropriate for different services.

2 (h) Lapses and carryforwards during fiscal year 2005-2006 for
3 CMHSPs or specialty prepaid health plans.

4 (i) Contracts for mental health services entered into by
5 CMHSPs or specialty prepaid health plans with providers, including
6 amount and rates, organized by type of service provided.

7 (j) Information on the community mental health Medicaid
8 managed care program, including, but not limited to, both of the
9 following:

10 (i) Expenditures by each CMHSP or specialty prepaid health plan
11 organized by Medicaid eligibility group, including per eligible
12 individual expenditure averages.

13 (ii) Performance indicator information required to be submitted
14 to the department in the contracts with CMHSPs or specialty prepaid
15 health plans.

16 (3) The department shall include data reporting requirements
17 listed in subsection (2) in the annual contract with each
18 individual CMHSP or specialty prepaid health plan.

19 (4) The department shall take all reasonable actions to ensure
20 that the data required are complete and consistent among all CMHSPs
21 or specialty prepaid health plans.

22 Sec. 405. (1) It is the intent of the legislature that the
23 employee wage pass-through funded in previous years to the
24 community mental health services programs for direct care workers
25 in local residential settings and for paraprofessional and other
26 nonprofessional direct care workers in day programs, supported
27 employment, and other vocational programs shall continue to be paid

1 to direct care workers.

2 (2) From the funds appropriated in part 1 for Medicaid mental
3 health services, money shall be utilized to establish a pool of
4 funds available to community mental health services programs,
5 sufficient to provide for increasing the wages and the employer's
6 share of federal insurance contributions act costs of direct care
7 staff by 20 cents per hour per direct care worker in local
8 residential settings and for paraprofessional and other
9 nonprofessional direct care workers in day programs, supported
10 employment, and other vocational service programs, effective
11 October 1, 2006.

12 (3) Each CMHSP shall make application to the department to
13 receive funds for the direct care worker wage pass-through fund,
14 not to exceed their proportionate share of the money allocated for
15 this purpose. The application shall specify the amount of funds
16 requested and the agencies/programs to receive the wage pass-
17 through funds requested.

18 (4) Each CMHSP awarded wage pass-through funds shall report on
19 the actual expenditures of such funds in the format to be
20 determined by the department. Any funds not utilized by the CMHSP
21 for the purpose specified in the wage pass-through application
22 shall be deducted from the base allocation to the CMHSP in the
23 subsequent fiscal year.

24 Sec. 406. (1) The funds appropriated in part 1 for the state
25 disability assistance substance abuse services program shall be
26 used to support per diem room and board payments in substance abuse
27 residential facilities. Eligibility of clients for the state

1 disability assistance substance abuse services program shall
2 include needy persons 18 years of age or older, or emancipated
3 minors, who reside in a substance abuse treatment center.

4 (2) The department shall reimburse all licensed substance
5 abuse programs eligible to participate in the program at a rate
6 equivalent to that paid by the department of human services to
7 adult foster care providers. Programs accredited by department-
8 approved accrediting organizations shall be reimbursed at the
9 personal care rate, while all other eligible programs shall be
10 reimbursed at the domiciliary care rate.

11 Sec. 407. (1) The amount appropriated in part 1 for substance
12 abuse prevention, education, and treatment grants shall be expended
13 for contracting with coordinating agencies. Coordinating agencies
14 shall work with the CMHSPs or specialty prepaid health plans to
15 coordinate the care and services provided to individuals with both
16 mental illness and substance abuse diagnoses.

17 (2) The department shall approve a fee schedule for providing
18 substance abuse services and charge participants in accordance with
19 their ability to pay.

20 Sec. 408. (1) By April 15, 2007, the department shall report
21 the following data from fiscal year 2005-2006 on substance abuse
22 prevention, education, and treatment programs to the senate and
23 house of representatives appropriations subcommittees on community
24 health, the senate and house fiscal agencies, and the state budget
25 office:

26 (a) Expenditures stratified by coordinating agency, by central
27 diagnosis and referral agency, by fund source, by subcontractor, by

1 population served, and by service type. Additionally, data on
2 administrative expenditures by coordinating agency and by
3 subcontractor shall be reported.

4 (b) Expenditures per state client, with data on the
5 distribution of expenditures reported using a histogram approach.

6 (c) Number of services provided by central diagnosis and
7 referral agency, by subcontractor, and by service type.
8 Additionally, data on length of stay, referral source, and
9 participation in other state programs.

10 (d) Collections from other first- or third-party payers,
11 private donations, or other state or local programs, by
12 coordinating agency, by subcontractor, by population served, and by
13 service type.

14 (2) The department shall take all reasonable actions to ensure
15 that the required data reported are complete and consistent among
16 all coordinating agencies.

17 Sec. 409. The funding in part 1 for substance abuse services
18 shall be distributed in a manner that provides priority to service
19 providers that furnish child care services to clients with
20 children.

21 Sec. 410. The department shall assure that substance abuse
22 treatment is provided to applicants and recipients of public
23 assistance through the department of human services who are
24 required to obtain substance abuse treatment as a condition of
25 eligibility for public assistance.

26 Sec. 411. (1) The department shall ensure that each contract
27 with a CMHSP or specialty prepaid health plan requires the CMHSP or

1 specialty prepaid health plan to implement programs to encourage
2 diversion of persons with serious mental illness, serious emotional
3 disturbance, or developmental disability from possible jail
4 incarceration when appropriate.

5 (2) Each CMHSP or specialty prepaid health plan shall have
6 jail diversion services and shall work toward establishing working
7 relationships with representative staff of local law enforcement
8 agencies, including county prosecutors' offices, county sheriffs'
9 offices, county jails, municipal police agencies, municipal
10 detention facilities, and the courts. Written interagency
11 agreements describing what services each participating agency is
12 prepared to commit to the local jail diversion effort and the
13 procedures to be used by local law enforcement agencies to access
14 mental health jail diversion services are strongly encouraged.

15 Sec. 412. The department shall contract directly with the
16 Salvation Army harbor light program to provide non-Medicaid
17 substance abuse services at not less than the amount contracted for
18 in fiscal year 2004-2005.

19 Sec. 414. Medicaid substance abuse treatment services shall be
20 managed by selected CMHSPs or specialty prepaid health plans
21 pursuant to the centers for Medicare and Medicaid services'
22 approval of Michigan's 1915(b) waiver request to implement a
23 managed care plan for specialized substance abuse services. The
24 selected CMHSPs or specialty prepaid health plans shall receive a
25 capitated payment on a per eligible per month basis to assure
26 provision of medically necessary substance abuse services to all
27 beneficiaries who require those services. The selected CMHSPs or

1 specialty prepaid health plans shall be responsible for the
2 reimbursement of claims for specialized substance abuse services.
3 The CMHSPs or specialty prepaid health plans that are not
4 coordinating agencies may continue to contract with a coordinating
5 agency. Any alternative arrangement must be based on client service
6 needs and have prior approval from the department.

7 Sec. 418. On or before the tenth of each month, the department
8 shall report to the senate and house of representatives
9 appropriations subcommittees on community health, the senate and
10 house fiscal agencies, and the state budget director on the amount
11 of funding paid to the CMHSPs or specialty prepaid health plans to
12 support the Medicaid managed mental health care program in that
13 month. The information shall include the total paid to each CMHSP
14 or specialty prepaid health plan, per capita rate paid for each
15 eligibility group for each CMHSP or specialty prepaid health plan,
16 and number of cases in each eligibility group for each CMHSP or
17 specialty prepaid health plan, and year-to-date summary of
18 eligibles and expenditures for the Medicaid managed mental health
19 care program.

20 Sec. 423. (1) The department shall work cooperatively with the
21 departments of human services, corrections, education, state
22 police, and military and veterans affairs to coordinate and improve
23 the delivery of substance abuse prevention, education, and
24 treatment programs within existing appropriations.

25 (2) The department shall establish a work group composed of
26 representatives of the department, the departments of human
27 services, corrections, education, state police, and military and

1 veterans affairs, coordinating agencies, CMHSPs, and any other
2 persons considered appropriate to examine and review the source and
3 expenditure of funds for substance abuse programs and services. The
4 work group shall develop and recommend cost-effective measures for
5 the expenditure of funds and delivery of substance abuse programs
6 and services. The department shall submit the findings of the work
7 group to the house of representatives and senate appropriations
8 subcommittees on community health, the house and senate fiscal
9 agencies, and the state budget director by May 31, 2007.

10 Sec. 424. Each community mental health services program or
11 specialty prepaid health plan that contracts with the department to
12 provide services to the Medicaid population shall adhere to the
13 following timely claims processing and payment procedure for claims
14 submitted by health professionals and facilities:

15 (a) A "clean claim" as described in section 111i of the social
16 welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days
17 after receipt of the claim by the community mental health services
18 program or specialty prepaid health plan. A clean claim that is not
19 paid within this time frame shall bear simple interest at a rate of
20 12% per annum.

21 (b) A community mental health services program or specialty
22 prepaid health plan must state in writing to the health
23 professional or facility any defect in the claim within 30 days
24 after receipt of the claim.

25 (c) A health professional and a health facility have 30 days
26 after receipt of a notice that a claim or a portion of a claim is
27 defective within which to correct the defect. The community mental

1 health services program or specialty prepaid health plan shall pay
2 the claim within 30 days after the defect is corrected.

3 Sec. 425. By April 1, 2007, the department, in conjunction
4 with the department of corrections, shall report the following data
5 from fiscal year 2005-2006 on mental health and substance abuse
6 services to the house of representatives and senate appropriations
7 subcommittees on community health and corrections, the house and
8 senate fiscal agencies, and the state budget office:

9 (a) The number of prisoners receiving substance abuse
10 services, which shall include a description and breakdown of the
11 type of substance abuse services provided to prisoners.

12 (b) The number of prisoners with a primary diagnosis of mental
13 illness and the number of such prisoners receiving mental health
14 services, which shall include a description and breakdown,
15 minimally encompassing the categories of inpatient, residential,
16 and outpatient care, of the type of mental health services provided
17 to those prisoners.

18 (c) The number of prisoners with a primary diagnosis of mental
19 illness and receiving substance abuse services, which shall include
20 a description and breakdown, minimally encompassing the categories
21 of inpatient, residential, and outpatient care, of the type of
22 treatment provided to those prisoners.

23 (d) Data indicating if prisoners receiving mental health
24 services for a primary diagnosis of mental illness were previously
25 hospitalized in a state psychiatric hospital for persons with
26 mental illness.

27 (e) Data indicating if prisoners with a primary diagnosis of

1 mental illness and receiving substance abuse services were
2 previously hospitalized in a state psychiatric hospital for persons
3 with mental illness.

4 Sec. 428. (1) Each CMHSP and affiliation of CMHSPs shall
5 provide, from internal resources, local funds to be used as a bona
6 fide part of the state match required under the Medicaid program in
7 order to increase capitation rates for CMHSPs and affiliations of
8 CMHSPs. These funds shall not include either state funds received
9 by a CMHSP for services provided to non-Medicaid recipients or the
10 state matching portion of the Medicaid capitation payments made to
11 a CMHSP or an affiliation of CMHSPs.

12 (2) The distribution of the aforementioned increases in the
13 capitation payment rates, if any, shall be based on a formula
14 developed by a committee established by the department, including
15 representatives from CMHSPs or affiliations of CMHSPs and
16 department staff.

17 Sec. 435. A county required under the provisions of the mental
18 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
19 matching funds to a CMHSP for mental health services rendered to
20 residents in its jurisdiction shall pay the matching funds in equal
21 installments on not less than a quarterly basis throughout the
22 fiscal year, with the first payment being made by October 1, 2006.

23 Sec. 442. (1) It is the intent of the legislature that the
24 \$40,000,000.00 in funding transferred from the community mental
25 health non-Medicaid services line to support the Medicaid adult
26 benefits waiver program be used to provide state match for
27 increases in federal funding for primary care and specialty

1 services provided to Medicaid adult benefits waiver enrollees and
2 for economic increases for the Medicaid specialty services and
3 supports program.

4 (2) The department shall assure that persons enrolled in the
5 Medicaid adult benefits waiver program shall receive mental health
6 services under the priority population sections of the mental
7 health code, 1974 PA 258, MCL 330.1001 to 330.2106.

8 (3) Capitation payments to CMHSPs or specialty prepaid health
9 plans for persons who become enrolled in the Medicaid adult
10 benefits waiver program shall be made using the same rate
11 methodology as payments for the current Medicaid beneficiaries.

12 (4) If enrollment in the Medicaid adult benefits waiver
13 program does not achieve expectations and the funding appropriated
14 for the Medicaid adult benefits waiver program for specialty
15 services is not expended, the general fund balance shall be
16 transferred back to the community mental health non-Medicaid
17 services line. The department shall report quarterly to the senate
18 and house of representatives appropriations subcommittees on
19 community health a summary of eligible expenditures for the
20 Medicaid adult benefits waiver program by CMHSPs or specialty
21 prepaid health plans.

22 Sec. 450. (1) No later than October 1, 2006, the department
23 shall implement the recommendations of the work group composed of
24 CMHSPs or specialty prepaid health plans and departmental staff on
25 streamlining the audit and reporting requirements for CMHSPs or
26 specialty prepaid health plans and contractors performing services
27 for CMHSPs or specialty prepaid health plans.

1 (2) No later than March 31, 2007, the department shall submit
2 a report to the house of representatives and senate appropriations
3 subcommittees on community health, the house and senate fiscal
4 agencies, and the state budget office on steps taken to implement
5 the recommendations of the work group and the progress of the
6 implementation of the recommendations of the work group.

7 Sec. 452. Unless otherwise authorized by law, the department
8 shall not implement retroactively any policy that would lead to a
9 negative financial impact on community mental health services
10 programs or prepaid inpatient health plans.

11 Sec. 456. CMHSPs and prepaid inpatient health plans shall
12 honor consumer choice to the fullest extent possible when providing
13 services and support programs for individuals with mental illness,
14 developmental disabilities, or substance abuse issues. Consumer
15 choices shall include skill building assistance, rehabilitative and
16 habilitative services, supported and integrated employment services
17 program settings, and other work preparatory services provided in
18 the community or by accredited community based rehabilitation
19 organizations. CMHSPs and prepaid inpatient health plans shall not
20 arbitrarily eliminate or restrict any choices from the array of
21 services and program settings available to consumers without
22 reasonable justification that those services are not in the
23 consumer's best interest.

24 Sec. 458. By April 15, 2007, the department shall provide each
25 of the following to the house of representatives and senate
26 appropriations subcommittees on community health, the house and
27 senate fiscal agencies, and the state budget director:

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1 (a) An updated plan for implementing recommendations of the
2 Michigan mental health commission made in the commission's report
3 dated October 15, 2004.

4 (b) A report that evaluates the cost-benefit of establishing
5 secure residential facilities of fewer than 17 beds for adults with
6 serious mental illness, modeled after such programming in Oregon or
7 other states.

8 (c) In conjunction with the state court administrator's
9 office, a report that evaluates the cost-benefit of establishing a
10 specialized mental health court program that diverts adults with
11 serious mental illness alleged to have committed an offense deemed
12 nonserious into treatment prior to the filing of any charges.

13 [

24]

25 Sec. 460. (1) The uniform definitions, standards, and
26 instructions for the classification, allocation, assignment,
27 calculation, recording, and reporting of administrative costs by

1 prepaid inpatient health plans (PIHPs), CMHSPs, and contracted
2 organized provider systems that receive payment or reimbursement
3 from funds appropriated under section 104 of part 1 that are
4 established by the department shall go into effect on October 1,
5 2006 and shall be fully implemented by September 30, 2007.

6 (2) No later than October 30, 2006, the department shall
7 provide a copy of the uniform definitions, standards, and
8 instructions to the house of representatives and senate
9 appropriations subcommittees on community health, the house of
10 representatives and senate fiscal agencies, and the state budget
11 director.

12 (3) The department shall provide the house of representatives
13 and senate appropriations subcommittees on community health, the
14 house of representatives and senate fiscal agencies, and the state
15 budget director with 2 separate progress reports on the
16 implementation required under subsection (1). The progress reports
17 are due on April 1, 2007 and July 1, 2007.

18 Sec. 462. The department shall establish a work group
19 comprised of representatives of the department, CMHSPs,
20 legislature, and any other persons considered appropriate to
21 develop a plan to achieve funding equity for all CMHSPs that
22 receive funds appropriated under the community mental health non-
23 Medicaid services line. The funding equity plan shall establish, at
24 a minimum, a payment schedule or scale to ensure that each CMHSP is
25 paid or reimbursed equally based on the recipient's diagnosis or
26 individual plan of service sufficient to meet his or her needs, or
27 both. The department shall submit the written plan to the house of

1 representatives and senate appropriations subcommittees on
2 community health, the house and senate fiscal agencies, and the
3 state budget director by May 31, 2007.

4 Sec. 463. The department shall establish standard program
5 evaluation measures to assess the overall effectiveness of programs
6 provided through coordinating agencies and service providers in
7 reducing and preventing the incidence of substance abuse. The
8 measures established by the department shall be modeled after the
9 program outcome measures and best practice guidelines for the
10 treatment of substance abuse as proposed by the federal substance
11 abuse and mental health services administration.

12 Sec. 464. It is the intent of the legislature that revenue
13 received by the department from liquor license fees be expended
14 exclusively to fund programs for the prevention, rehabilitation,
15 care, and treatment of alcoholics pursuant to sections 543(1) and
16 1115(2) of the Michigan liquor control code of 1998, 1998 PA 58,
17 MCL 436.1543 and 436.2115.

18 Sec. 465. Funds appropriated in part 1 for respite services
19 shall be used for direct respite care services for children with
20 serious emotional disturbances and their families. Not more than 1%
21 of the funds allocated for respite services shall be expended by
22 CMHSPs for administration and administrative purposes.

23 Sec. 468. To foster a more efficient administration of and to
24 integrate care in publicly funded mental health and substance abuse
25 services, the department shall recommend changes in its criteria
26 for the incorporation of a city, county, or regional substance
27 abuse coordinating agency into a local community mental health

1 authority that will encourage those city, county, or regional
2 coordinating agencies to incorporate as local community mental
3 health authorities. If necessary, the department may make
4 accommodations or adjustments in formula distribution to address
5 administrative costs related to the changes to the criteria made in
6 accordance with this section and to the incorporation of the
7 additional coordinating agencies into local community mental health
8 authorities.

9 Sec. 469. (1) No later than October 31, 2006, the department
10 shall implement a funding distribution model for coordinating
11 agencies based on findings by the former federal substance abuse
12 block grant work group. The funding distribution model shall
13 replace the current allocation formula of public funds for
14 substance abuse services.

15 (2) No later than September 30, 2007, the department shall
16 submit a preliminary report to the house of representatives and
17 senate appropriations subcommittees on community health, the house
18 of representatives and senate fiscal agencies, and the state budget
19 office that includes, at the minimum, the following information on
20 implementation of the new funding distribution model for
21 coordinating agencies:

22 (a) Impact of the new allocation formula on operations of
23 coordinating agencies such as local cost and service demand and
24 provider network viability.

25 (b) Impact on other funding sources and providers of substance
26 abuse services.

27 (c) Any adverse consequences resulting from the new model.

1 Sec. 470. (1) The department shall establish written
2 expectations for community mental health services programs, prepaid
3 inpatient health plans, and substance abuse coordinating agencies
4 and counties with respect to the integration of mental health and
5 substance abuse services. At a minimum, the written expectations
6 shall provide for the integration of those services as follows:

7 (a) Coordination and consolidation of administrative functions
8 and redirection of efficiencies into service enhancements.

9 (b) Consolidation of points of 24-hour access for mental
10 health and substance abuse services in every community.

11 (c) Alignment of coordinating agencies and prepaid inpatient
12 health plans boundaries to maximize opportunities for collaboration
13 and integration of administrative functions and clinical
14 activities.

15 (2) By May 1, 2007, the department shall report to the house
16 of representatives and senate appropriations subcommittees on
17 community health, the house of representatives and senate fiscal
18 agencies, and the state budget office on the impact and
19 effectiveness of this section and the status of the integration of
20 mental health and substance abuse services.

21 Sec. 471. From the funds appropriated in part 1 for
22 coordinating agencies and the Salvation Army harbor light program,
23 administrative costs for these agencies as a percentage of their
24 total expenditures shall not exceed their percentage in fiscal year
25 2004-2005 or 9%, whichever is less.

26 Sec. 472. Any general fund/general purpose funds lapsed by
27 CMHSPs shall be retained in the community health budget to improve

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1 mental health and substance abuse services. If any general
2 fund/general purpose funds appropriated to draw down the federal
3 Medicaid funds under the Medicaid mental health services line
4 remain, those funds shall be retained in the community health
5 budget to serve individuals not eligible for the Medicaid program.
6 If Medicaid funding is lapsed by prepaid inpatient health plans,
7 the general fund/general purpose share shall be retained in the
8 community health budget to serve individuals not eligible for the
9 Medicaid program.

10 Sec. 474. The department shall ensure that each contract with
11 a CMHSP or prepaid inpatient health plan requires the CMHSP or
12 prepaid inpatient health plan to provide each recipient and his or
13 her family with information regarding the different types of
14 guardianship and the alternatives to guardianship. A CMHSP or
15 prepaid inpatient health plan shall not, in any manner, attempt to
16 reduce or restrict the ability of a recipient or his or her family
17 from seeking to obtain any form of legal guardianship.

[Sec. 475. From the funds appropriated in part 1 for multicultural
services, \$990,000.00 shall be allocated to the Jewish federation of
metropolitan Detroit.]

18 **STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL**
19 **DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

20 Sec. 601. (1) In funding of staff in the financial support
21 division, reimbursement, and billing and collection sections,
22 priority shall be given to obtaining third-party payments for
23 services. Collection from individual recipients of services and
24 their families shall be handled in a sensitive and nonharassing
25 manner.

26 (2) The department shall continue a revenue recapture project

1 to generate additional revenues from third parties related to cases
2 that have been closed or are inactive. Revenues collected through
3 project efforts are appropriated to the department for departmental
4 costs and contractual fees associated with these retroactive
5 collections and to improve ongoing departmental reimbursement
6 management functions.

7 Sec. 602. Unexpended and unencumbered amounts and accompanying
8 expenditure authorizations up to \$1,000,000.00 remaining on
9 September 30, 2007 from the amounts appropriated in part 1 for
10 gifts and bequests for patient living and treatment environments
11 shall be carried forward for 1 fiscal year. The purpose of gifts
12 and bequests for patient living and treatment environments is to
13 use additional private funds to provide specific enhancements for
14 individuals residing at state-operated facilities. Use of the gifts
15 and bequests shall be consistent with the stipulation of the donor.
16 The expected completion date for the use of gifts and bequests
17 donations is within 3 years unless otherwise stipulated by the
18 donor.

19 Sec. 603. The funds appropriated in part 1 for forensic mental
20 health services provided to the department of corrections are in
21 accordance with the interdepartmental plan developed in cooperation
22 with the department of corrections. The department is authorized to
23 receive and expend funds from the department of corrections in
24 addition to the appropriations in part 1 to fulfill the obligations
25 outlined in the interdepartmental agreements.

26 Sec. 604. (1) The CMHSPs or specialty prepaid health plans
27 shall provide annual reports to the department on the following

1 information:

2 (a) The number of days of care purchased from state hospitals
3 and centers.

4 (b) The number of days of care purchased from private
5 hospitals in lieu of purchasing days of care from state hospitals
6 and centers.

7 (c) The number and type of alternative placements to state
8 hospitals and centers other than private hospitals.

9 (d) Waiting lists for placements in state hospitals and
10 centers.

11 (2) The department shall annually report the information in
12 subsection (1) to the house of representatives and senate
13 appropriations subcommittees on community health, the house and
14 senate fiscal agencies, and the state budget director.

15 Sec. 605. (1) The department shall not implement any closures
16 or consolidations of state hospitals, centers, or agencies until
17 CMHSPs or specialty prepaid health plans have programs and services
18 in place for those persons currently in those facilities and a plan
19 for service provision for those persons who would have been
20 admitted to those facilities.

21 (2) All closures or consolidations are dependent upon adequate
22 department-approved CMHSP plans that include a discharge and
23 aftercare plan for each person currently in the facility. A
24 discharge and aftercare plan shall address the person's housing
25 needs. A homeless shelter or similar temporary shelter arrangements
26 are inadequate to meet the person's housing needs.

27 (3) Four months after the certification of closure required in

1 section 19(6) of the state employees' retirement act, 1943 PA 240,
2 MCL 38.19, the department shall provide a closure plan to the house
3 of representatives and senate appropriations subcommittees on
4 community health and the state budget director.

5 (4) Upon the closure of state-run operations and after
6 transitional costs have been paid, the remaining balances of funds
7 appropriated for that operation shall be transferred to CMHSPs or
8 specialty prepaid health plans responsible for providing services
9 for persons previously served by the operations.

10 Sec. 606. The department may collect revenue for patient
11 reimbursement from first- and third-party payers, including
12 Medicaid and local county CMHSP payers, to cover the cost of
13 placement in state hospitals and centers. The department is
14 authorized to adjust financing sources for patient reimbursement
15 based on actual revenues earned. If the revenue collected exceeds
16 current year expenditures, the revenue may be carried forward with
17 approval of the state budget director. The revenue carried forward
18 shall be used as a first source of funds in the subsequent year.

19 **PUBLIC HEALTH ADMINISTRATION**

20 Sec. 650. The department shall communicate the annual public
21 health consumption advisory for sportfish. The department shall, at
22 a minimum, post the advisory on the Internet and make the
23 information in the advisory available to the clients of the women,
24 infants, and children special supplemental nutrition program.

25 **HEALTH POLICY, REGULATION AND PROFESSIONS**

1 Sec. 704. The department shall continue to work with grantees
2 supported through the appropriation in part 1 for the emergency
3 medical services grants and contracts to ensure that a sufficient
4 number of qualified emergency medical services personnel exist to
5 serve rural areas of the state.

6 Sec. 705. The department shall post on the Internet the
7 executive summary of the latest inspection for each licensed
8 nursing home.

9 Sec. 706. When hiring any new nursing home inspectors funded
10 through appropriations in part 1, the department shall make every
11 effort to hire individuals with past experience in the long-term
12 care industry.

13 Sec. 707. The funds appropriated in part 1 for the nurse
14 scholarship program, established in section 16315 of the public
15 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
16 the number of nurses practicing in Michigan. The board of nursing
17 is encouraged to structure scholarships funded under this article
18 in a manner that rewards recipients who intend to practice nursing
19 in Michigan. In addition, the department and the board of nursing
20 shall work cooperatively with the Michigan higher education
21 assistance authority to coordinate scholarship assistance with
22 scholarships provided pursuant to the Michigan nursing scholarship
23 act, 2002 PA 591, MCL 390.1181 to 390.1189.

24 Sec. 708. Nursing facilities shall report in the quarterly
25 staff report to the department, the total patient care hours
26 provided each month, by state licensure and certification
27 classification, and the percentage of pool staff, by state

1 licensure and certification classification, used each month during
2 the preceding quarter. The department shall make available to the
3 public, the quarterly staff report compiled for all facilities
4 including the total patient care hours and the percentage of pool
5 staff used, by classification.

6 Sec. 709. The funds appropriated in part 1 for the Michigan
7 essential health care provider program may also provide loan
8 repayment for dentists that fit the criteria established by part 27
9 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

10 Sec. 710. From the funds appropriated in part 1 for primary
11 care services, an amount not to exceed \$1,723,300.00 is
12 appropriated to enhance the service capacity of the federally
13 qualified health centers and other health centers which are similar
14 to federally qualified health centers.

15 Sec. 711. The department may make available to interested
16 entities customized listings of nonconfidential information in its
17 possession, such as names and addresses of licensees. The
18 department may establish and collect a reasonable charge to provide
19 this service. The revenue received from this service shall be used
20 to offset expenses to provide the service. Any balance of this
21 revenue collected and unexpended at the end of the fiscal year
22 shall revert to the appropriate restricted fund.

23 Sec. 712. From the funds appropriated in part 1 for primary
24 care services, \$250,000.00 shall be allocated to free health
25 clinics operating in the state. The department shall distribute the
26 funds equally to each free health clinic. For the purpose of this
27 appropriation, free health clinics are nonprofit organizations that

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1 use volunteer health professionals to provide care to uninsured
2 individuals.

3 [Sec. 713. The department is directed to continue support of
4 multicultural agencies that provide primary care services from the funds
5 appropriated in part 1 and to ensure that 100% of these funds are
6 allocated to these agencies in a timely fashion.]

7 Sec. 716. From the funds appropriated in part 1 for primary
8 care services, \$100.00 shall be allocated for a study of a health
9 clinic at a Lansing homeless shelter.

9 INFECTIOUS DISEASE CONTROL

10 Sec. 801. In the expenditure of funds appropriated in part 1
11 for AIDS programs, the department and its subcontractors shall
12 ensure that adolescents receive priority for prevention, education,
13 and outreach services.

14 Sec. 802. In developing and implementing AIDS provider
15 education activities, the department may provide funding to the
16 Michigan state medical society to serve as lead agency to convene a
17 consortium of health care providers, to design needed educational
18 efforts, to fund other statewide provider groups, and to assure
19 implementation of these efforts, in accordance with a plan approved
20 by the department.

21 Sec. 803. The department shall continue the AIDS drug
22 assistance program maintaining the prior year eligibility criteria
23 and drug formulary. This section is not intended to prohibit the
24 department from providing assistance for improved AIDS treatment
25 medications. If the appropriation in part 1 is not sufficient to
26 maintain the prior year eligibility criteria and drug formulary,

1 the department may revise the eligibility criteria and drug
2 formulary in a manner that is consistent with federal program
3 guidelines.

4 Sec. 804. The department, in conjunction with efforts to
5 implement the Michigan prisoner reentry initiative, shall cooperate
6 with the department of corrections to begin the process of data and
7 information sharing as it relates to prisoners being released and
8 hepatitis C. By April 1, 2007, the department shall report to the
9 house of representatives and senate appropriations subcommittees on
10 community health, the house of representatives and senate fiscal
11 agencies, and the state budget director on the results of its work
12 with the department of corrections under this section.

13 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

14 Sec. 901. The amount appropriated in part 1 for implementation
15 of the 1993 amendments to sections 9161, 16221, 16226, 17014,
16 17015, and 17515 of the public health code, 1978 PA 368, MCL
17 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
18 333.17515, shall reimburse local health departments for costs
19 incurred related to implementation of section 17015(18) of the
20 public health code, 1978 PA 368, MCL 333.17015.

21 Sec. 902. If a county that has participated in a district
22 health department or an associated arrangement with other local
23 health departments takes action to cease to participate in such an
24 arrangement after October 1, 2006, the department shall have the
25 authority to assess a penalty from the local health department's
26 operational accounts in an amount equal to no more than 5% of the

1 local health department's local public health operations funding.
2 This penalty shall only be assessed to the local county that
3 requests the dissolution of the health department.

4 Sec. 903. The department shall provide a report annually to
5 the house of representatives and senate appropriations
6 subcommittees on community health, the senate and house fiscal
7 agencies, and the state budget director on the expenditures and
8 activities undertaken by the lead abatement program. The report
9 shall include, but is not limited to, a funding allocation
10 schedule, expenditures by category of expenditure and by
11 subcontractor, revenues received, description of program elements,
12 and description of program accomplishments and progress.

13 Sec. 904. (1) Funds appropriated in part 1 for local public
14 health operations shall be prospectively allocated to local health
15 departments to support immunizations, infectious disease control,
16 sexually transmitted disease control and prevention, hearing
17 screening, vision services, food protection, public water supply,
18 private groundwater supply, and on-site sewage management. Food
19 protection shall be provided in consultation with the Michigan
20 department of agriculture. Public water supply, private groundwater
21 supply, and on-site sewage management shall be provided in
22 consultation with the Michigan department of environmental quality.

23 (2) Local public health departments will be held to
24 contractual standards for the services in subsection (1).

25 (3) Distributions in subsection (1) shall be made only to
26 counties that maintain local spending in fiscal year 2006-2007 of
27 at least the amount expended in fiscal year 1992-1993 for the

1 services described in subsection (1).

2 (4) By April 1, 2007, the department shall make available upon
3 request a report to the senate or house of representatives
4 appropriations subcommittee on community health, the senate or
5 house fiscal agency, or the state budget director on the planned
6 allocation of the funds appropriated for local public health
7 operations.

8 Sec. 905. From the funds appropriated in part 1 for local
9 public health operations, \$5,150,000.00 shall be used to continue
10 funding hearing and vision screening services through local public
11 health departments. The extent of services provided shall be
12 similar to the extent of services provided in fiscal year 2004-
13 2005.

14 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

15 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's
16 information network shall be used to provide information and
17 referral services through regional networks for persons with
18 Alzheimer's disease or related disorders, their families, and
19 health care providers.

20 Sec. 1006. (1) In spending the funds appropriated in part 1
21 for the smoking prevention program, priority shall be given to
22 prevention and smoking cessation programs for pregnant women, women
23 with young children, and adolescents.

24 (2) For purposes of complying with 2004 PA 164, \$900,000.00 of
25 the funds appropriated in part 1 for the smoking prevention program
26 shall be used for the quit kit program that includes the nicotine

1 patch or nicotine gum.

2 Sec. 1007. (1) The funds appropriated in part 1 for violence
3 prevention shall be used for, but not be limited to, the following:

4 (a) Programs aimed at the prevention of spouse, partner, or
5 child abuse and rape.

6 (b) Programs aimed at the prevention of workplace violence.

7 (2) In awarding grants from the amounts appropriated in part 1
8 for violence prevention, the department shall give equal
9 consideration to public and private nonprofit applicants.

10 (3) From the funds appropriated in part 1 for violence
11 prevention, the department may include local school districts as
12 recipients of the funds for family violence prevention programs.

13 Sec. 1009. From the funds appropriated in part 1 for the
14 diabetes and kidney program, a portion of the funds may be
15 allocated to the National Kidney Foundation of Michigan for kidney
16 disease prevention programming including early identification and
17 education programs and kidney disease prevention demonstration
18 projects.

19 Sec. 1010. From the funds appropriated in part 1 for chronic
20 disease prevention, \$200,000.00 shall be allocated for osteoporosis
21 prevention and treatment education.

22 Sec. 1019. From the funds appropriated in part 1 for chronic
23 disease prevention, \$50,000.00 may be allocated for stroke
24 prevention, education, and outreach. The objectives of the program
25 shall include education to assist persons in identifying risk
26 factors, and education to assist persons in the early
27 identification of the occurrence of a stroke in order to minimize

1 stroke damage.

2 Sec. 1028. Contingent on the availability of state restricted
3 healthy Michigan fund money or federal preventive health and health
4 services block grant fund money, funds may be appropriated for the
5 African-American male health initiative.

6 Sec. 1029. It is the intent of the legislature that the male
7 participation rate in the African-American male health initiative
8 program be no less than 75%.

9 **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

10 Sec. 1101. The department shall review the basis for the
11 distribution of funds to local health departments and other public
12 and private agencies for the women, infants, and children food
13 supplement program; family planning; and prenatal care outreach and
14 service delivery support program and indicate the basis upon which
15 any projected underexpenditures by local public and private
16 agencies shall be reallocated to other local agencies that
17 demonstrate need.

18 Sec. 1104. Before April 1, 2007, the department shall submit a
19 report to the house and senate fiscal agencies and the state budget
20 director on planned allocations from the amounts appropriated in
21 part 1 for local MCH services, prenatal care outreach and service
22 delivery support, family planning local agreements, and pregnancy
23 prevention programs. Using applicable federal definitions, the
24 report shall include information on all of the following:

25 (a) Funding allocations.

26 (b) Actual number of women, children, and/or adolescents

1 served and amounts expended for each group for the fiscal year
2 2005-2006.

3 Sec. 1105. For all programs for which an appropriation is made
4 in part 1, the department shall contract with those local agencies
5 best able to serve clients. Factors to be used by the department in
6 evaluating agencies under this section shall include ability to
7 serve high-risk population groups; ability to serve low-income
8 clients, where applicable; availability of, and access to, service
9 sites; management efficiency; and ability to meet federal
10 standards, when applicable.

11 Sec. 1106. Each family planning program receiving federal
12 title X family planning funds shall be in compliance with all
13 performance and quality assurance indicators that the United States
14 bureau of community health services specifies in the family
15 planning annual report. An agency not in compliance with the
16 indicators shall not receive supplemental or reallocated funds.

17 Sec. 1106a. (1) Federal abstinence money expended in part 1
18 for the purpose of promoting abstinence education shall provide
19 abstinence education to teenagers most likely to engage in high-
20 risk behavior as their primary focus, and may include programs that
21 include 9- to 17-year-olds. Programs funded must meet all of the
22 following guidelines:

23 (a) Teaches the gains to be realized by abstaining from sexual
24 activity.

25 (b) Teaches abstinence from sexual activity outside of
26 marriage as the expected standard for all school-age children.

27 (c) Teaches that abstinence is the only certain way to avoid

1 out-of-wedlock pregnancy, sexually transmitted diseases, and other
2 health problems.

3 (d) Teaches that a monogamous relationship in the context of
4 marriage is the expected standard of human sexual activity.

5 (e) Teaches that sexual activity outside of marriage is likely
6 to have harmful effects.

7 (f) Teaches that bearing children out of wedlock is likely to
8 have harmful consequences.

9 (g) Teaches young people how to avoid sexual advances and how
10 alcohol and drug use increases vulnerability to sexual advances.

11 (h) Teaches the importance of attaining self-sufficiency
12 before engaging in sexual activity.

13 (2) Coalitions, organizations, and programs that do not
14 provide contraceptives to minors and demonstrate efforts to include
15 parental involvement as a means of reducing the risk of teens
16 becoming pregnant shall be given priority in the allocations of
17 funds.

18 (3) Programs and organizations that meet the guidelines of
19 subsection (1) and criteria of subsection (2) shall have the option
20 of receiving all or part of their funds directly from the
21 department of community health.

22 Sec. 1107. Of the amount appropriated in part 1 for prenatal
23 care outreach and service delivery support, not more than 9% shall
24 be expended for local administration, data processing, and
25 evaluation.

26 Sec. 1108. The funds appropriated in part 1 for pregnancy
27 prevention programs shall not be used to provide abortion

1 counseling, referrals, or services.

2 Sec. 1109. (1) From the amounts appropriated in part 1 for
3 dental programs, funds shall be allocated to the Michigan dental
4 association for the administration of a volunteer dental program
5 that would provide dental services to the uninsured in an amount
6 that is no less than the amount allocated to that program in fiscal
7 year 1996-1997.

8 (2) Not later than December 1 of the current fiscal year, the
9 department shall make available upon request a report to the senate
10 or house of representatives appropriations subcommittee on
11 community health or the senate or house of representatives standing
12 committee on health policy the number of individual patients
13 treated, number of procedures performed, and approximate total
14 market value of those procedures through September 30, 2006.

15 Sec. 1110. Agencies that currently receive pregnancy
16 prevention funds and either receive or are eligible for other
17 family planning funds shall have the option of receiving all of
18 their family planning funds directly from the department of
19 community health and be designated as delegate agencies.

20 Sec. 1111. The department shall allocate no less than 88% of
21 the funds appropriated in part 1 for family planning local
22 agreements and the pregnancy prevention program for the direct
23 provision of family planning/pregnancy prevention services.

24 Sec. 1112. From the funds appropriated in part 1 for prenatal
25 care outreach and service delivery support, the department shall
26 allocate at least \$1,000,000.00 to communities with high infant
27 mortality rates.

1 Sec. 1113. (1) The department shall ensure that family
2 planning and pregnancy prevention funds appropriated in part 1
3 shall be used only for the purpose of protecting and promoting the
4 public health and shall require every service provider to
5 discourage sexual activity outside of marriage by emphasizing the
6 increased health risks and fiscal implications of nonmarital sexual
7 activity to the individual and to this state.

8 (2) Beginning October 1, 2006, the department shall annually
9 monitor and, beginning January 1, 2008, annually issue to the
10 legislature and to the public on the Internet a report detailing
11 all of the following family planning and sexual health indicators:

12 (a) Expenditures of state and federal funds for the direct
13 medical and clinical costs, as determined by the department,
14 associated with out-of-wedlock sexual activity, including, but not
15 limited to, all of the following costs:

16 (i) The percentage of clients or users who are unmarried and
17 who access family planning, pregnancy prevention, and sexually
18 transmitted disease prevention services.

19 (ii) The percentage of clients or users who are married and who
20 access family planning, pregnancy prevention, and sexually
21 transmitted disease prevention services.

22 (iii) The estimated expenditure of state and federal funds to
23 provide both groups of clients or users with family planning,
24 pregnancy prevention, and sexually transmitted disease prevention
25 services.

26 (b) The annual public expenditures by this state, based on
27 marital status, to provide medical care to persons who have

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1 contracted sexually transmitted diseases.

2 (c) The annual public expenditures by this state for out-of-
3 wedlock pregnancies, including prenatal care, birth, abortion
4 expenditures, and any expenditure the department determines may
5 reasonably be related to a pregnancy or pregnancy outcome, for a
6 period of 30 days after the date of delivery or termination of the
7 pregnancy.

8 (d) For unmarried minors, the number of parents or legal
9 guardians that accompany the minor when visiting the service
10 provider.

11 (e) Family planning, pregnancy prevention, or sexually
12 transmitted disease prevention agencies or service providers who
13 receive state or federal funds from the department shall report the
14 percentage of funds expended to promote abstinence as a method of
15 family planning, pregnancy prevention, or sexually transmitted
16 disease prevention.

17 (3) The department may utilize or amend any other existing
18 report to comply with the reporting requirements of this section
19 unless prohibited by law. A service provider or agency that fails
20 to comply with the reporting requirements of this section shall not
21 be considered for funding for a period of at least 2 years.

22 Sec. 1114. From the funds appropriated in part 1 for special
23 projects, \$30,000.00 shall be allocated for creation of an Internet
24 website to inform and train public service and public safety agency
25 personnel regarding the provisions of the safe delivery of newborns
26 law. The website shall be made available to the general public.

[Sec. 1115. From the funds appropriated in part 1 for ultrasound
equipment fund, \$100,000.00 shall be deposited to the ultrasound
equipment fund created within the state treasury pursuant to section 9141
of the public health code, 1978 PA 368, MCL 333.9141. The funds shall be
used to provide grants for the purchase of ultrasound equipment and for
administration of the grant program pursuant to section 9141 of the
public health code, 1978 PA 368, MCL 333.9141.]

27 Sec. 1129. The department shall provide a report annually to
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1 the house of representatives and senate appropriations
2 subcommittees on community health, the house and senate fiscal
3 agencies, and the state budget director on the number of children
4 with elevated blood lead levels from information available to the
5 department. The report shall provide the information by county,
6 shall include the level of blood lead reported, and shall indicate
7 the sources of the information.

8 Sec. 1133. The department shall release infant mortality rate
9 data to all local public health departments no later than 48 hours
10 prior to releasing infant mortality rate data to the public.

11 Sec. 1135. (1) Provision of the school health education
12 curriculum, such as the Michigan model or another comprehensive
13 school health education curriculum, shall be in accordance with the
14 health education goals established by the Michigan model for the
15 comprehensive school health education state steering committee. The
16 state steering committee shall be comprised of a representative
17 from each of the following offices and departments:

18 (a) The department of education.

19 (b) The department of community health.

20 (c) The health administration in the department of community
21 health.

22 (d) The bureau of mental health and substance abuse services
23 in the department of community health.

24 (e) The department of human services.

25 (f) The department of state police.

26 (2) Upon written or oral request, a pupil not less than 18
27 years of age or a parent or legal guardian of a pupil less than 18

1 years of age, within a reasonable period of time after the request
2 is made, shall be informed of the content of a course in the health
3 education curriculum and may examine textbooks and other classroom
4 materials that are provided to the pupil or materials that are
5 presented to the pupil in the classroom. This subsection does not
6 require a school board to permit pupil or parental examination of
7 test questions and answers, scoring keys, or other examination
8 instruments or data used to administer an academic examination.

9 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

10 Sec. 1151. The department may work with local participating
11 agencies to define local annual contributions for the farmer's
12 market nutrition program, project FRESH, to enable the department
13 to request federal matching funds based on local commitment of
14 funds.

15 Sec. 1152. The department shall require that all Medicaid
16 children participating in the special supplemental food program for
17 women, infants, and children receive lead screening testing.

18 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

19 Sec. 1201. Funds appropriated in part 1 for medical care and
20 treatment of children with special health care needs shall be paid
21 according to reimbursement policies determined by the Michigan
22 medical services program. Exceptions to these policies may be taken
23 with the prior approval of the state budget director.

24 Sec. 1202. The department may do 1 or more of the following:

25 (a) Provide special formula for eligible clients with

1 specified metabolic and allergic disorders.

2 (b) Provide medical care and treatment to eligible patients
3 with cystic fibrosis who are 21 years of age or older.

4 (c) Provide genetic diagnostic and counseling services for
5 eligible families.

6 (d) Provide medical care and treatment to eligible patients
7 with hereditary coagulation defects, commonly known as hemophilia,
8 who are 21 years of age or older.

9 Sec. 1203. All children who are determined medically eligible
10 for the children's special health care services program shall be
11 referred to the appropriate locally based services program in their
12 community.

13 **OFFICE OF DRUG CONTROL POLICY**

14 Sec. 1250. In addition to the \$1,799,900.00 in Byrne formula
15 grant program funding the department provides to local drug
16 treatment courts, the department shall provide \$1,799,900.00 in
17 Byrne formula grant program funding to the judiciary by
18 interdepartmental grant.

19 **CRIME VICTIM SERVICES COMMISSION**

20 Sec. 1301. (1) From the funds appropriated in part 1 for
21 justice assistance grants in fiscal year 2006-2007, awards granted
22 to private nonprofit charitable organizations that have tax-exempt
23 status pursuant to section 501(c)(3) of the internal revenue code
24 of 1986 shall only be made to those organizations that utilize at
25 least 35% of the organization's budget for direct social and

1 supportive services to individuals. This subsection does not apply
2 to private nonprofit charitable organizations that are faith-based
3 or that provide medical care.

4 (2) Grants awarded under this section shall only be used to
5 support services to individuals of any age who have suffered
6 physical, sexual, financial, or emotional harm or injury as a
7 result of a threatened, attempted, or completed crime and to family
8 members of those individuals.

9 Sec. 1302. From the funds appropriated in part 1 for justice
10 assistance grants, up to \$50,000.00 shall be allocated for
11 expansion of forensic nurse examiner programs to facilitate
12 training for improved evidence collection for the prosecution of
13 sexual assault. The funds shall be used for program coordination,
14 training, and counseling. Unexpended funds shall be carried
15 forward.

16 Sec. 1304. The department shall work with the department of
17 state police, the Michigan hospital association, the Michigan state
18 medical society, and the Michigan nurses association to ensure that
19 the recommendations included in the "Standard Recommended
20 Procedures for the Emergency Treatment of Sexual Assault Victims"
21 are followed in the collection of evidence.

22 **OFFICE OF SERVICES TO THE AGING**

23 Sec. 1401. The appropriation in part 1 to the office of
24 services to the aging, for community and nutrition services and
25 home services, shall be restricted to eligible individuals at least
26 60 years of age who fail to qualify for home care services under

1 title XVIII, XIX, or XX.

2 Sec. 1403. The office of services to the aging shall require
3 each region to report to the office of services to the aging home
4 delivered meals waiting lists based upon standard criteria.
5 Determining criteria shall include all of the following:

6 (a) The recipient's degree of frailty.

7 (b) The recipient's inability to prepare his or her own meals
8 safely.

9 (c) Whether the recipient has another care provider available.

10 (d) Any other qualifications normally necessary for the
11 recipient to receive home delivered meals.

12 Sec. 1404. The area agencies and local providers may receive
13 and expend fees for the provision of day care, care management,
14 respite care, and certain eligible home and community-based
15 services. The fees shall be based on a sliding scale, taking client
16 income into consideration. The fees shall be used to expand
17 services.

18 Sec. 1406. The appropriation of \$5,000,000.00 of merit award
19 trust funds to the office of services to the aging for the respite
20 care program shall be allocated in accordance with a long-term care
21 plan developed by the long-term care working group established in
22 section 1657 of 1998 PA 336 upon implementation of the plan. The
23 use of the funds shall be for direct respite care or adult respite
24 care center services. Not more than 9% of the amount allocated
25 under this section shall be expended for administration and
26 administrative purposes.

27 Sec. 1413. The office of services to the aging affirms the

1 commitment to locally based services and supports the role of local
2 county board of commissioners in the approval of area agency on
3 aging plans. Local counties may request to change membership in
4 the area agencies on aging if the change is to an area agency on
5 aging region that is contiguous to that county pursuant to office
6 of services to the aging policies and procedures for area agency on
7 aging designation. The office of services to the aging may work
8 with others to provide training to commissions to better understand
9 and advocate for aging issues. Area agencies on aging are
10 prohibited from providing direct services, other than access
11 services, unless they receive a waiver from the commission on
12 services to the aging. This section is conditioned on compliance
13 with federal and state laws, rules, and policies.

14 Sec. 1416. The legislature affirms the commitment to provide
15 in-home services, resources, and assistance for the frail elderly
16 who are not being served by the Medicaid home- and community-based
17 services waiver program.

18 **MICHIGAN FIRST HEALTHCARE PLAN**

19 Sec. 1501. Funds appropriated in part 1 for the Michigan First
20 Healthcare Plan are contingent upon approval of a waiver from the
21 federal government.

22 Sec. 1502. Upon approval of a waiver from the federal
23 government for the Michigan First Healthcare Plan, the department
24 shall ensure that contracts for coverage offered through the plan
25 are competitively bid and that the bidding is open to all health
26 plans regulated under chapter 35 of the insurance code of 1956,

1 1956 PA 218, MCL 500.3501 to 500.3580. The department shall not
2 award a single source contract to a health plan through the
3 Michigan First Healthcare Plan.

4 Sec. 1503. The department shall provide a copy of the
5 federally approved Michigan First Healthcare Plan or similar
6 proposal to the house of representatives and senate appropriations
7 subcommittees on community health, the house and senate fiscal
8 agencies, and the state budget director at least 90 days before
9 implementing any portion of the Michigan First Healthcare Plan or
10 other similar proposal.

11 **MEDICAL SERVICES**

12 Sec. 1601. The cost of remedial services incurred by residents
13 of licensed adult foster care homes and licensed homes for the aged
14 shall be used in determining financial eligibility for the
15 medically needy. Remedial services include basic self-care and
16 rehabilitation training for a resident.

17 Sec. 1602. Medical services shall be provided to elderly and
18 disabled persons with incomes less than or equal to 100% of the
19 official poverty level, pursuant to the state's option to elect
20 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title
21 XIX, 42 USC 1396a.

22 Sec. 1603. (1) The department may establish a program for
23 persons to purchase medical coverage at a rate determined by the
24 department.

25 (2) The department may receive and expend premiums for the
26 buy-in of medical coverage in addition to the amounts appropriated

1 in part 1.

2 (3) The premiums described in this section shall be classified
3 as private funds.

4 Sec. 1604. If an applicant for Medicaid coverage is found to
5 be eligible, the department shall provide payment for all of the
6 Medicaid covered and appropriately authorized services that have
7 been provided to that applicant since the first day of the month in
8 which the applicant filed and the department of human services
9 received the application for Medicaid coverage. Receipt of the
10 application by a local department of human services office is
11 considered the date the application is received. If an application
12 is submitted on the last day of the month and that day falls on a
13 weekend or a holiday and the application is received by the local
14 department of human services office on the first business day
15 following the end of the month, then receipt of the application is
16 considered to have been on the last day of the previous month. As
17 used in this section, "completed application" means an application
18 complete on its face and signed by the applicant regardless of
19 whether the medical documentation required to make an eligibility
20 determination is included.

21 Sec. 1605. (1) The protected income level for Medicaid
22 coverage determined pursuant to section 106(1)(b)(iii) of the social
23 welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related
24 public assistance standard.

25 (2) The department shall notify the senate and house of
26 representatives appropriations subcommittees on community health
27 and the state budget director of any proposed revisions to the

1 protected income level for Medicaid coverage related to the public
2 assistance standard 90 days prior to implementation.

3 Sec. 1606. For the purpose of guardian and conservator
4 charges, the department of community health may deduct up to \$45.00
5 per month as an allowable expense against a recipient's income when
6 determining medical services eligibility and patient pay amounts.

7 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
8 condition is pregnancy, shall immediately be presumed to be
9 eligible for Medicaid coverage unless the preponderance of evidence
10 in her application indicates otherwise. The applicant who is
11 qualified as described in this subsection shall be allowed to
12 select or remain with the Medicaid participating obstetrician of
13 her choice.

14 (2) An applicant qualified as described in subsection (1)
15 shall be given a letter of authorization to receive Medicaid
16 covered services related to her pregnancy. All qualifying
17 applicants shall be entitled to receive all medically necessary
18 obstetrical and prenatal care without preauthorization from a
19 health plan. All claims submitted for payment for obstetrical and
20 prenatal care shall be paid at the Medicaid fee-for-service rate in
21 the event a contract does not exist between the Medicaid
22 participating obstetrical or prenatal care provider and the managed
23 care plan. The applicant shall receive a listing of Medicaid
24 physicians and managed care plans in the immediate vicinity of the
25 applicant's residence.

26 (3) In the event that an applicant, presumed to be eligible
27 pursuant to subsection (1), is subsequently found to be ineligible,

1 a Medicaid physician or managed care plan that has been providing
2 pregnancy services to an applicant under this section is entitled
3 to reimbursement for those services until such time as they are
4 notified by the department that the applicant was found to be
5 ineligible for Medicaid.

6 (4) If the preponderance of evidence in an application
7 indicates that the applicant is not eligible for Medicaid, the
8 department shall refer that applicant to the nearest public health
9 clinic or similar entity as a potential source for receiving
10 pregnancy-related services.

11 (5) The department shall develop an enrollment process for
12 pregnant women covered under this section that facilitates the
13 selection of a managed care plan at the time of application.

14 Sec. 1610. The department of community health shall provide an
15 administrative procedure for the review of cost report grievances
16 by medical services providers with regard to reimbursement under
17 the medical services program. Settlements of properly submitted
18 cost reports shall be paid not later than 9 months from receipt of
19 the final report.

20 Sec. 1611. (1) For care provided to medical services
21 recipients with other third-party sources of payment, medical
22 services reimbursement shall not exceed, in combination with such
23 other resources, including Medicare, those amounts established for
24 medical services-only patients. The medical services payment rate
25 shall be accepted as payment in full. Other than an approved
26 medical services copayment, no portion of a provider's charge shall
27 be billed to the recipient or any person acting on behalf of the

1 recipient. Nothing in this section shall be considered to affect
2 the level of payment from a third-party source other than the
3 medical services program. The department shall require a
4 nonenrolled provider to accept medical services payments as payment
5 in full.

6 (2) Notwithstanding subsection (1), medical services
7 reimbursement for hospital services provided to dual
8 Medicare/medical services recipients with Medicare part B coverage
9 only shall equal, when combined with payments for Medicare and
10 other third-party resources, if any, those amounts established for
11 medical services-only patients, including capital payments.

12 Sec. 1615. Unless prohibited by federal or state law or
13 regulation, the department shall require enrolled Medicaid
14 providers to submit their billings for services electronically.

15 Sec. 1620. (1) For fee-for-service recipients who do not
16 reside in nursing homes, the pharmaceutical dispensing fee shall be
17 \$2.50 or the pharmacy's usual or customary cash charge, whichever
18 is less. For nursing home residents, the pharmaceutical dispensing
19 fee shall be \$2.75 or the pharmacy's usual or customary cash
20 charge, whichever is less.

21 (2) The department shall require a prescription copayment for
22 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
23 brand-name drug, except as prohibited by federal or state law or
24 regulation.

25 (3) For fee-for-service recipients, an optional mail order
26 pharmacy program shall be available.

27 Sec. 1621. (1) The department may implement prospective drug

1 utilization review and disease management systems. The prospective
2 drug utilization review and disease management systems authorized
3 by this subsection shall have physician oversight, shall focus on
4 patient, physician, and pharmacist education, and shall be
5 developed in consultation with the national pharmaceutical council,
6 Michigan state medical society, Michigan association of osteopathic
7 physicians, Michigan pharmacists association, Michigan health and
8 hospital association, and Michigan nurses' association.

9 (2) This section does not authorize or allow therapeutic
10 substitution.

11 Sec. 1621a. (1) The department, in conjunction with
12 pharmaceutical manufacturers or their agents, may establish pilot
13 projects to test the efficacy of disease management and health
14 management programs.

15 (2) The department may negotiate a plan that uses the savings
16 resulting from the services rendered from these programs, in lieu
17 of requiring a supplemental rebate for the inclusion of those
18 participating parties' products on the department's preferred drug
19 list.

20 Sec. 1623. (1) The department shall continue the Medicaid
21 policy that allows for the dispensing of a 100-day supply for
22 maintenance drugs.

23 (2) The department shall notify all HMOs, physicians,
24 pharmacies, and other medical providers that are enrolled in the
25 Medicaid program that Medicaid policy allows for the dispensing of
26 a 100-day supply for maintenance drugs.

27 (3) The notice in subsection (2) shall also clarify that a

1 pharmacy shall fill a prescription written for maintenance drugs in
2 the quantity specified by the physician, but not more than the
3 maximum allowed under Medicaid, unless subsequent consultation with
4 the prescribing physician indicates otherwise.

5 Sec. 1625. The department shall continue its practice of
6 placing all atypical antipsychotic medications on the Medicaid
7 preferred drug list.

8 Sec. 1627. (1) The department shall use procedures and rebates
9 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,
10 to secure quarterly rebates from pharmaceutical manufacturers for
11 outpatient drugs dispensed to participants in the MICHild program,
12 maternal outpatient medical services program, children's special
13 health care services, and adult benefit waiver program.

14 (2) For products distributed by pharmaceutical manufacturers
15 not providing quarterly rebates as listed in subsection (1), the
16 department may require preauthorization.

17 Sec. 1628. (1) The department shall convene by April 2007 a
18 committee to study the implementation of psychotropic pharmacy
19 administration under Medicare part D for individuals dually
20 enrolled in the Medicare and Medicaid programs. This committee
21 shall study and evaluate the effectiveness of mental health
22 consumer enrollment and medication access through the Medicare part
23 D procedures for pharmaceutical management for dual eligibles.

24 (2) The committee shall include a representative from each of
25 the following organizations: the medical services administration,
26 the office of services to the aging, the department's mental health
27 and substance abuse services division, mental health association of

1 Michigan, national alliance for the mentally ill of Michigan,
2 Michigan psychiatric society, Michigan association of community
3 mental health boards, Michigan pharmacists association, Michigan
4 protection and advocacy service, international association of
5 psychosocial rehabilitation services, and the pharmaceutical
6 industry. The committee shall elect a chairperson who is not
7 employed by state government.

8 (3) The committee shall produce a report by September 30, 2007
9 to the senate and house of representatives appropriations
10 subcommittees on community health and the senate and house fiscal
11 agencies.

12 Sec. 1629. The department shall utilize maximum allowable cost
13 pricing for generic drugs that is based on wholesaler pricing to
14 providers that is available from at least 2 wholesalers who deliver
15 in the state of Michigan.

16 Sec. 1630. (1) Medicaid coverage for podiatric services, adult
17 dental services, and chiropractic services shall continue at not
18 less than the level in effect on October 1, 2002, except that
19 reasonable utilization limitations may be adopted in order to
20 prevent excess utilization. The department shall not impose
21 utilization restrictions on chiropractic services unless a
22 recipient has exceeded 18 office visits within 1 year.

23 (2) The department may implement the bulk purchase of hearing
24 aids, impose limitations on binaural hearing aid benefits, and
25 limit the replacement of hearing aids to once every 3 years.

26 Sec. 1631. (1) The department shall require copayments on
27 dental, podiatric, chiropractic, vision, and hearing aid services

1 provided to Medicaid recipients, except as prohibited by federal or
2 state law or regulation.

3 (2) Except as otherwise prohibited by federal or state law or
4 regulations, the department shall require Medicaid recipients to
5 pay the following copayments:

6 (a) Two dollars for a physician office visit.

7 (b) Six dollars for a non-emergent hospital emergency room
8 visit.

9 (c) Fifty dollars for the first day of an in-patient hospital
10 stay.

11 (d) One dollar for an out-patient hospital visit.

12 Sec. 1633. From the funds appropriated in part 1 for dental
13 services, the department shall expand the healthy kids dental
14 program statewide if funds become available specifically for
15 expansion of the program.

16 Sec. 1634. From the funds appropriated in part 1 for ambulance
17 services, the department shall continue the 5% increase in payment
18 rates for ambulance services implemented in fiscal year 2000-2001
19 and continue the ground mileage reimbursement rate per statute mile
20 at \$4.25.

21 Sec. 1634a. (1) From the funds appropriated in part 1 for
22 transportation, the department shall establish a non-emergency
23 medical transportation brokerage program for fee-for-service
24 Medicaid beneficiaries. A state plan amendment shall be submitted
25 by January 1, 2007 to establish the brokerage program.

26 (2) Contracts developed under the brokerage program shall be
27 with 1 or more brokers to manage transportation services for

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beneficiaries to and from medical providers.

Sec. 1635. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for obstetrical services implemented in fiscal year 2005-2006.

Sec. 1636. From the funds appropriated in part 1 for physician services and health plan services, [\$33,247,100.00], of which [\$14,502,400.00] is general fund/general purpose funds, shall be allocated to increase Medicaid reimbursement rates for physician services.

Sec. 1637. (1) All adult Medicaid recipients shall be offered the opportunity to sign a Medicaid personal responsibility agreement.

(2) The personal responsibility agreement shall include at minimum the following provisions:

(a) That the recipient shall not smoke.

(b) That the recipient shall attend all scheduled medical appointments.

(c) That the recipient shall exercise regularly.

(d) That if the recipient has children, those children shall be up-to-date on their immunizations.

(e) That the recipient shall abstain from abusing controlled substances and narcotics.

Sec. 1641. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

1 Sec. 1643. Of the funds appropriated in part 1 for graduate
2 medical education in the hospital services and therapy line item
3 appropriation, not less than \$10,359,000.00 shall be allocated for
4 the psychiatric residency training program that establishes and
5 maintains collaborative relations with the schools of medicine at
6 Michigan State University and Wayne State University if the
7 necessary allowable Medicaid matching funds are provided by the
8 universities.

9 Sec. 1646. (1) Except as otherwise provided under subsection
10 (2), effective October 1, 2006, the department shall eliminate
11 Medicaid eligibility for individuals who are parents, caretaker
12 relatives, or individuals between the ages of 18 and 21 and who are
13 not required to be covered under federal Medicaid requirements.

14 (2) Subsection (1) does not apply to an individual between the
15 ages of 18 and 21 who, on his or her eighteenth birthday, was in
16 foster care under the responsibility of the state and whose assets,
17 resources, and income do not exceed the eligibility levels
18 established by the state for the individual on the effective date
19 of this section.

20 Sec. 1647. From the funds appropriated in part 1 for medical
21 services, the department shall allocate for graduate medical
22 education not less than the level of rates and payments in effect
23 on April 1, 2005.

24 Sec. 1648. The department shall maintain an automated toll-
25 free phone line to enable medical providers to verify the
26 eligibility status of Medicaid recipients. There shall be no charge
27 to providers for the use of the toll-free phone line.

1 Sec. 1649. From the funds appropriated in part 1 for medical
2 services, the department shall continue breast and cervical cancer
3 treatment coverage for women up to 250% of the federal poverty
4 level, who are under age 65, and who are not otherwise covered by
5 insurance. This coverage shall be provided to women who have been
6 screened through the centers for disease control breast and
7 cervical cancer early detection program, and are found to have
8 breast or cervical cancer, pursuant to the breast and cervical
9 cancer prevention and treatment act of 2000, Public Law 106-354,
10 114 Stat. 1381.

11 Sec. 1650. (1) The department may require medical services
12 recipients residing in counties offering managed care options to
13 choose the particular managed care plan in which they wish to be
14 enrolled. Persons not expressing a preference may be assigned to a
15 managed care provider.

16 (2) Persons to be assigned a managed care provider shall be
17 informed in writing of the criteria for exceptions to capitated
18 managed care enrollment, their right to change HMOs for any reason
19 within the initial 90 days of enrollment, the toll-free telephone
20 number for problems and complaints, and information regarding
21 grievance and appeals rights.

22 (3) The criteria for medical exceptions to HMO enrollment
23 shall be based on submitted documentation that indicates a
24 recipient has a serious medical condition, and is undergoing active
25 treatment for that condition with a physician who does not
26 participate in 1 of the HMOs. If the person meets the criteria
27 established by this subsection, the department shall grant an

1 exception to mandatory enrollment at least through the current
2 prescribed course of treatment, subject to periodic review of
3 continued eligibility.

4 Sec. 1651. (1) Medical services patients who are enrolled in
5 HMOs have the choice to elect hospice services or other services
6 for the terminally ill that are offered by the HMOs. If the patient
7 elects hospice services, those services shall be provided in
8 accordance with part 214 of the public health code, 1978 PA 368,
9 MCL 333.21401 to 333.21420.

10 (2) The department shall not amend the medical services
11 hospice manual in a manner that would allow hospice services to be
12 provided without making available all comprehensive hospice
13 services described in 42 CFR part 418.

14 Sec. 1653. Implementation and contracting for managed care by
15 the department through HMOs shall be subject to the following
16 conditions:

17 (a) Continuity of care is assured by allowing enrollees to
18 continue receiving required medically necessary services from their
19 current providers for a period not to exceed 1 year if enrollees
20 meet the managed care medical exception criteria.

21 (b) The department shall require contracted HMOs to submit
22 data determined necessary for evaluation on a timely basis.

23 (c) Mandatory enrollment of Medicaid beneficiaries living in
24 counties defined as rural by the federal government, which is any
25 nonurban standard metropolitan statistical area, is allowed if
26 there is only 1 HMO serving the Medicaid population, as long as
27 each Medicaid beneficiary is assured of having a choice of at least

1 2 physicians by the HMO.

2 (d) Enrollment of recipients of children's special health care
3 services in HMOs shall be voluntary during the fiscal year.

4 (e) The department shall develop a case adjustment to its rate
5 methodology that considers the costs of persons with HIV/AIDS, end
6 stage renal disease, organ transplants, and other high-cost
7 diseases or conditions and shall implement the case adjustment when
8 it is proven to be actuarially and fiscally sound. Implementation
9 of the case adjustment must be budget neutral.

10 Sec. 1654. Medicaid HMOs shall provide for reimbursement of
11 HMO covered services delivered other than through the HMO's
12 providers if medically necessary and approved by the HMO,
13 immediately required, and that could not be reasonably obtained
14 through the HMO's providers on a timely basis. Such services shall
15 be considered approved if the HMO does not respond to a request for
16 authorization within 24 hours of the request. Reimbursement shall
17 not exceed the Medicaid fee-for-service payment for those services.

18 Sec. 1655. (1) The department may require a 12-month lock-in
19 to the HMO selected by the recipient during the initial and
20 subsequent open enrollment periods, but allow for good cause
21 exceptions during the lock-in period.

22 (2) Medicaid recipients shall be allowed to change HMOs for
23 any reason within the initial 90 days of enrollment.

24 Sec. 1656. (1) The department shall provide an expedited
25 complaint review procedure for Medicaid eligible persons enrolled
26 in HMOs for situations in which failure to receive any health care
27 service would result in significant harm to the enrollee.

1 (2) The department shall provide for a toll-free telephone
2 number for Medicaid recipients enrolled in managed care to assist
3 with resolving problems and complaints. If warranted, the
4 department shall immediately disenroll persons from managed care
5 and approve fee-for-service coverage.

6 (3) Annual reports summarizing the problems and complaints
7 reported and their resolution shall be provided to the house of
8 representatives and senate appropriations subcommittees on
9 community health, the house and senate fiscal agencies, and the
10 state budget office.

11 Sec. 1657. (1) Reimbursement for medical services to screen
12 and stabilize a Medicaid recipient, including stabilization of a
13 psychiatric crisis, in a hospital emergency room shall not be made
14 contingent on obtaining prior authorization from the recipient's
15 HMO. If the recipient is discharged from the emergency room, the
16 hospital shall notify the recipient's HMO within 24 hours of the
17 diagnosis and treatment received.

18 (2) If the treating hospital determines that the recipient
19 will require further medical service or hospitalization beyond the
20 point of stabilization, that hospital must receive authorization
21 from the recipient's HMO prior to admitting the recipient.

22 (3) Subsections (1) and (2) shall not be construed as a
23 requirement to alter an existing agreement between an HMO and their
24 contracting hospitals nor as a requirement that an HMO must
25 reimburse for services that are not considered to be medically
26 necessary.

27 (4) Prior to contracting with an HMO for managed care services

1 that did not have a contract with the department before October 1,
2 2002, the department shall receive assurances from the office of
3 financial and insurance services that the HMO meets the net worth
4 and financial solvency requirements contained in chapter 35 of the
5 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

6 Sec. 1658. (1) HMOs shall have contracts with hospitals within
7 a reasonable distance from their enrollees. If a hospital does not
8 contract with the HMO, in its service area, that hospital shall
9 enter into a hospital access agreement as specified in the MSA
10 bulletin Hospital 01-19.

11 (2) A hospital access agreement specified in subsection (1)
12 shall be considered an affiliated provider contract pursuant to the
13 requirements contained in chapter 35 of the insurance code of 1956,
14 1956 PA 218, MCL 500.3501 to 500.3580.

15 Sec. 1659. The following sections of this article are the only
16 ones that shall apply to the following Medicaid managed care
17 programs, including the comprehensive plan, children's special
18 health care services plan, MIChoice long-term care plan, and the
19 mental health, substance abuse, and developmentally disabled
20 services program: 401, 402, 404, 411, 414, 418, 424, 428, 456,
21 1650, 1651, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662,
22 1666, 1699, 1711, 1749, 1752, and 1753.

23 Sec. 1660. (1) The department shall assure that all Medicaid
24 children have timely access to EPSDT services as required by
25 federal law. Medicaid HMOs shall provide EPSDT services to their
26 child members in accordance with Medicaid EPSDT policy.

27 (2) The primary responsibility of assuring a child's hearing

1 and vision screening is with the child's primary care provider. The
2 primary care provider shall provide age appropriate screening or
3 arrange for these tests through referrals to local health
4 departments. Local health departments shall provide preschool
5 hearing and vision screening services and accept referrals for
6 these tests from physicians or from Head Start programs in order to
7 assure all preschool children have appropriate access to hearing
8 and vision screening. Local health departments shall be reimbursed
9 for the cost of providing these tests for Medicaid eligible
10 children by the Medicaid program.

11 (3) The department shall require Medicaid HMOs to provide
12 EPSDT utilization data through the encounter data system, and
13 health employer data and information set well child health measures
14 in accordance with the National Committee on Quality Assurance
15 prescribed methodology.

16 (4) The department shall require HMOs to be responsible for
17 well child visits and maternal and infant support services as
18 described in Medicaid policy. These responsibilities shall be
19 specified in the information distributed by the HMOs to their
20 members.

21 (5) The department shall provide, on an annual basis, budget
22 neutral incentives to Medicaid HMOs and local health departments to
23 improve performance on measures related to the care of children and
24 pregnant women.

25 Sec. 1661. (1) The department shall assure that all Medicaid
26 eligible children and pregnant women have timely access to MSS/ISS
27 services. Medicaid HMOs shall assure that maternal support service

1 screening is available to their pregnant members and that those
2 women found to meet the maternal support service high-risk criteria
3 are offered maternal support services. Local health departments
4 shall assure that maternal support service screening is available
5 for Medicaid pregnant women not enrolled in an HMO and that those
6 women found to meet the maternal support service high-risk criteria
7 are offered maternal support services or are referred to a
8 certified maternal support service provider.

9 (2) The department shall prohibit HMOs from requiring prior
10 authorization of their contracted providers for any EPSDT screening
11 and diagnosis service, for any MSS/ISS screening referral, or for
12 up to 3 MSS/ISS service visits.

13 (3) The department shall assure the coordination of MSS/ISS
14 services with the WIC program, state-supported substance abuse,
15 smoking prevention, and violence prevention programs, the
16 department of human services, and any other state or local program
17 with a focus on preventing adverse birth outcomes and child abuse
18 and neglect.

19 Sec. 1662. (1) The department shall assure that an external
20 quality review of each contracting HMO is performed that results in
21 an analysis and evaluation of aggregated information on quality,
22 timeliness, and access to health care services that the HMO or its
23 contractors furnish to Medicaid beneficiaries.

24 (2) The department shall provide a copy of the analysis of the
25 Medicaid HMO annual audited health employer data and information
26 set reports and the annual external quality review report to the
27 senate and house of representatives appropriations subcommittees on

1 community health, the senate and house fiscal agencies, and the
2 state budget director, within 30 days of the department's receipt
3 of the final reports from the contractors.

4 (3) The department shall work with the Michigan association of
5 health plans and the Michigan association for local public health
6 to improve service delivery and coordination in the MSS/ISS and
7 EPSDT programs.

8 (4) The department shall assure that training and technical
9 assistance are available for EPSDT and MSS/ISS for Medicaid health
10 plans, local health departments, and MSS/ISS contractors.

11 Sec. 1666. To increase timely repayment of the maternity case
12 rate to health plans and reduce the need to recover revenue from
13 hospitals, the department shall implement system changes to assure
14 that children who are born to mothers who are Medicaid eligible and
15 enrolled in health plans are within 30 days after birth included in
16 the Medicaid eligibility file and enrolled in the same health plan
17 as the mother or any other health plan designated by the mother.

18 Sec. 1670. (1) The appropriation in part 1 for the MICHild
19 program is to be used to provide comprehensive health care to all
20 children under age 19 who reside in families with income at or
21 below 200% of the federal poverty level, who are uninsured and have
22 not had coverage by other comprehensive health insurance within 6
23 months of making application for MICHild benefits, and who are
24 residents of this state. The department shall develop detailed
25 eligibility criteria through the medical services administration
26 public concurrence process, consistent with the provisions of this
27 article. Health care coverage for children in families below 150%

1 of the federal poverty level shall be provided through expanded
2 eligibility under the state's Medicaid program. Health coverage for
3 children in families between 150% and 200% of the federal poverty
4 level shall be provided through a state-based private health care
5 program.

6 (2) The department may provide up to 1 year of continuous
7 eligibility to children eligible for the MICHild program unless the
8 family fails to pay the monthly premium, a child reaches age 19, or
9 the status of the children's family changes and its members no
10 longer meet the eligibility criteria as specified in the federally
11 approved MICHild state plan.

12 (3) Children whose category of eligibility changes between the
13 Medicaid and MICHild programs shall be assured of keeping their
14 current health care providers through the current prescribed course
15 of treatment for up to 1 year, subject to periodic reviews by the
16 department if the beneficiary has a serious medical condition and
17 is undergoing active treatment for that condition.

18 (4) To be eligible for the MICHild program, a child must be
19 residing in a family with an adjusted gross income of less than or
20 equal to 200% of the federal poverty level. The department's
21 verification policy shall be used to determine eligibility.

22 (5) The department shall enter into a contract to obtain
23 MICHild services from any HMO, dental care corporation, or any
24 other entity that offers to provide the managed health care
25 benefits for MICHild services at the MICHild capitated rate. As
26 used in this subsection:

27 (a) "Dental care corporation", "health care corporation",

1 "insurer", and "prudent purchaser agreement" mean those terms as
2 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
3 550.52.

4 (b) "Entity" means a health care corporation or insurer
5 operating in accordance with a prudent purchaser agreement.

6 (6) The department may enter into contracts to obtain certain
7 MICHild services from community mental health service programs.

8 (7) The department may make payments on behalf of children
9 enrolled in the MICHild program from the line-item appropriation
10 associated with the program as described in the MICHild state plan
11 approved by the United States department of health and human
12 services, or from other medical services line-item appropriations
13 providing for specific health care services.

14 Sec. 1671. From the funds appropriated in part 1, the
15 department shall continue a comprehensive approach to the marketing
16 and outreach of the MICHild program. The marketing and outreach
17 required under this section shall be coordinated with current
18 outreach, information dissemination, and marketing efforts and
19 activities conducted by the department.

20 Sec. 1673. (1) The department may establish premiums for
21 MICHild eligible persons in families with income above 150% of the
22 federal poverty level. The monthly premiums shall not be less than
23 \$10.00 or exceed \$15.00 for a family.

24 (2) The department shall not require copayments under the
25 MICHild program.

26 Sec. 1677. The MICHild program shall provide all benefits
27 available under the state employee insurance plan that are

1 delivered through contracted providers and consistent with federal
2 law, including, but not limited to, the following medically
3 necessary services:

4 (a) Inpatient mental health services, other than substance
5 abuse treatment services, including services furnished in a state-
6 operated mental hospital and residential or other 24-hour
7 therapeutically planned structured services.

8 (b) Outpatient mental health services, other than substance
9 abuse services, including services furnished in a state-operated
10 mental hospital and community-based services.

11 (c) Durable medical equipment and prosthetic and orthotic
12 devices.

13 (d) Dental services as outlined in the approved MICHild state
14 plan.

15 (e) Substance abuse treatment services that may include
16 inpatient, outpatient, and residential substance abuse treatment
17 services.

18 (f) Care management services for mental health diagnoses.

19 (g) Physical therapy, occupational therapy, and services for
20 individuals with speech, hearing, and language disorders.

21 (h) Emergency ambulance services.

22 Sec. 1680. (1) Payment increases for enhanced wages and new or
23 enhanced employee benefits provided in previous years through the
24 Medicaid nursing home wage pass-through program shall be continued
25 in fiscal year 2006-2007.

26 (2) The department shall not implement any increase or
27 decrease in the Medicaid nursing home wage pass-through program in

1 fiscal year 2005-2006.

2 Sec. 1681. From the funds appropriated in part 1 for home- and
3 community-based services, the department and local waiver agents
4 shall encourage the use of family members, friends, and neighbors
5 of home and community-based services participants, where
6 appropriate, to provide homemaker services, meal preparation,
7 transportation, chore services, and other nonmedical covered
8 services to participants in the Medicaid home- and community-based
9 services program. This section shall not be construed as allowing
10 for the payment of family members, friends, or neighbors for these
11 services unless explicitly provided for in federal or state law.

12 Sec. 1682. (1) The department shall implement enforcement
13 actions as specified in the nursing facility enforcement provisions
14 of section 1919 of title XIX, 42 USC 1396r.

15 (2) The department is authorized to receive and spend penalty
16 money received as the result of noncompliance with medical services
17 certification regulations. Penalty money, characterized as private
18 funds, received by the department shall increase authorizations and
19 allotments in the long-term care accounts.

20 (3) Any unexpended penalty money, at the end of the year,
21 shall carry forward to the following year.

22 Sec. 1683. The department shall promote activities that
23 preserve the dignity and rights of terminally ill and chronically
24 ill individuals. Priority shall be given to programs, such as
25 hospice, that focus on individual dignity and quality of care
26 provided persons with terminal illness and programs serving persons
27 with chronic illnesses that reduce the rate of suicide through the

1 advancement of the knowledge and use of improved, appropriate pain
2 management for these persons; and initiatives that train health
3 care practitioners and faculty in managing pain, providing
4 palliative care, and suicide prevention.

5 Sec. 1684. (1) Of the funds appropriated in part 1 for the
6 Medicaid home- and community-based services waiver program, the
7 payment rate allocated for administrative expenses for fiscal year
8 2006-2007 shall continue at the rate implemented in fiscal year
9 2005-2006 after the \$2.00 per person per day mandated reduction.

10 (2) The savings realized from continuing the reduced
11 administrative rate shall be reallocated to increase enrollment in
12 the waiver program and to provide direct services to eligible
13 program participants.

14 (3) The department shall provide a report by April 1, 2007, to
15 the house of representatives and senate appropriations
16 subcommittees on community health and the house and senate fiscal
17 agencies on the number of nursing home patients discharged who are
18 subsequently enrolled in the Medicaid home- and community-based
19 services waiver program, and the associated cost savings.

20 Sec. 1685. All nursing home rates, class I and class III, must
21 have their respective fiscal year rate set 30 days prior to the
22 beginning of their rate year. Rates may take into account the most
23 recent cost report prepared and certified by the preparer, provider
24 corporate owner or representative as being true and accurate, and
25 filed timely, within 5 months of the fiscal year end in accordance
26 with Medicaid policy. If the audited version of the last report is
27 available, it shall be used. Any rate factors based on the filed

1 cost report may be retroactively adjusted upon completion of the
2 audit of that cost report.

3 Sec. 1686. (1) The department shall submit a report by April
4 30, 2007, to the house of representatives and senate appropriations
5 subcommittees on community health and the house and senate fiscal
6 agencies on the progress of 4 Medicaid long-term care single point
7 of entry services pilot projects. The department shall also submit
8 a final plan to the house of representatives and senate
9 subcommittees on community health and the house and senate fiscal
10 agencies 60 days prior to any expansion of the program.

11 (2) In addition to the report required under subsection (1),
12 the department shall report all of the following to the house of
13 representatives and senate appropriations subcommittees on
14 community health and the house of representatives and senate fiscal
15 agencies by September 30, 2007:

16 (a) The total cost of the single point of entry program.

17 (b) The total cost of each designated single point of entry.

18 (c) The total amount of Medicaid dollars saved because of the
19 program.

20 (d) The total number of emergent single point of entry cases
21 handled and the average length of time for placement in long-term
22 care for those cases.

23 (e) The total number of single point of entry cases involving
24 transfer from hospital settings to long-term care settings and the
25 average length of time for placement of those cases in long-term
26 care settings.

27 (3) It is the intent of the legislature that funding for

1 single point of entry for long-term care end on September 30, 2008.

2 (4) As used in this section, "single point of entry" means a
3 system that enables consumers to access Medicaid long-term care
4 services and supports through 1 agency or organization and that
5 promotes consumer education and choice of long-term care options.

6 Sec. 1687. (1) From the funds appropriated in part 1 for long-
7 term care services, the department shall contract with a stand
8 alone psychiatric facility that provides at least 20% of its total
9 care to Medicaid recipients to provide access to Medicaid
10 recipients who require specialized Alzheimer's disease or dementia
11 care.

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

17 Sec. 1688. The department shall not impose a limit on per unit
18 reimbursements to service providers that provide personal care or
19 other services under the Medicaid home- and community-based
20 services waiver program for the elderly and disabled. The
21 department's per day per client reimbursement cap calculated in the
22 aggregate for all services provided under the Medicaid home- and
23 community-based services waiver is not a violation of this section.

24 Sec. 1689. (1) Priority in enrolling additional persons in the
25 Medicaid home- and community-based services waiver program shall be
26 given to those who are currently residing in nursing homes or who
27 are eligible to be admitted to a nursing home if they are not

1 provided home- and community-based services. The department shall
2 implement screening and assessment procedures to assure that no
3 additional Medicaid eligible persons are admitted to nursing homes
4 who would be more appropriately served by the Medicaid home- and
5 community-based services waiver program. If there is a net decrease
6 in the number of Medicaid nursing home days of care during the most
7 recent quarter in comparison with the previous quarter and a net
8 cost savings attributable to moving individuals from a nursing home
9 to the home- and community-based services waiver program, the
10 department shall transfer the net cost savings to the home- and
11 community-based services waiver program. If a transfer is required,
12 it shall be done on a quarterly basis.

13 (2) Within 30 days of the end of each fiscal quarter, the
14 department shall provide a report to the senate and house
15 appropriations subcommittees on community health and the senate and
16 house fiscal agencies that details existing and future allocations
17 for the home- and community-based services waiver program by
18 regions as well as the associated expenditures. The report shall
19 include information regarding the net cost savings from moving
20 individuals from a nursing home to the home- and community-based
21 services waiver program and the amount of funds transferred.

22 Sec. 1690. The department shall establish and implement a
23 long-term care partnership program to provide for the financing of
24 long-term care through a combination of private insurance and
25 Medicaid as specified in state law.

26 Sec. 1691. (1) From the funds appropriated in part 1 for the
27 wage increase for adult home help services, the department, in

1 conjunction with the department of human services, shall not raise
2 wages for adult home help employees who are providing services to
3 relatives beyond the wages established in fiscal year 2005-2006 for
4 those employees.

5 (2) The wage requirement referenced in subsection (1) shall
6 take effect on October 1, 2006.

7 Sec. 1692. (1) The department of community health is
8 authorized to pursue reimbursement for eligible services provided
9 in Michigan schools from the federal Medicaid program. The
10 department and the state budget director are authorized to
11 negotiate and enter into agreements, together with the department
12 of education, with local and intermediate school districts
13 regarding the sharing of federal Medicaid services funds received
14 for these services. The department is authorized to receive and
15 disburse funds to participating school districts pursuant to such
16 agreements and state and federal law.

17 (2) From the funds appropriated in part 1 for medical services
18 school services payments, the department is authorized to do all of
19 the following:

20 (a) Finance activities within the medical services
21 administration related to this project.

22 (b) Reimburse participating school districts pursuant to the
23 fund sharing ratios negotiated in the state-local agreements
24 authorized in subsection (1).

25 (c) Offset general fund costs associated with the medical
26 services program.

27 Sec. 1693. The special Medicaid reimbursement appropriation in

1 part 1 may be increased if the department submits a medical
2 services state plan amendment pertaining to this line item at a
3 level higher than the appropriation. The department is authorized
4 to appropriately adjust financing sources in accordance with the
5 increased appropriation.

6 Sec. 1694. The department of community health shall distribute
7 \$695,000.00 to children's hospitals that have a high indigent care
8 volume. The amount to be distributed to any given hospital shall be
9 based on a formula determined by the department of community
10 health.

11 Sec. 1697. (1) As may be allowed by federal law or regulation,
12 the department may use funds provided by a local or intermediate
13 school district, which have been obtained from a qualifying health
14 system, as the state match required for receiving federal Medicaid
15 or children health insurance program funds. Any such funds received
16 shall be used only to support new school-based or school-linked
17 health services.

18 (2) A qualifying health system is defined as any health care
19 entity licensed to provide health care services in the state of
20 Michigan, that has entered into a contractual relationship with a
21 local or intermediate school district to provide or manage school-
22 based or school-linked health services.

23 Sec. 1699. The department may make separate payments directly
24 to qualifying hospitals serving a disproportionate share of
25 indigent patients in the amount of \$50,000,000.00, and to hospitals
26 providing graduate medical education training programs. If direct
27 payment for GME and DSH is made to qualifying hospitals for

1 services to Medicaid clients, hospitals will not include GME costs
2 or DSH payments in their contracts with HMOs.

3 Sec. 1710. Any proposed changes by the department to the
4 MIChoice home- and community-based services waiver program
5 screening process shall be provided to the members of the house and
6 senate appropriations subcommittees on community health prior to
7 implementation of the proposed changes.

8 Sec. 1711. (1) The department shall maintain the 2-tier
9 reimbursement methodology for Medicaid emergency physicians
10 professional services that was in effect on September 30, 2002,
11 subject to the following conditions:

12 (a) Payments by case and in the aggregate shall not exceed 70%
13 of Medicare payment rates.

14 (b) Total expenditures for these services shall not exceed the
15 level of total payments made during fiscal year 2001-2002, after
16 adjusting for Medicare copayments and deductibles and for changes
17 in utilization.

18 (2) To ensure that total expenditures stay within the spending
19 constraints of subsection (1)(b), the department shall develop a
20 utilization adjustor for the basic 2-tier payment methodology. The
21 adjustor shall be based on a good faith estimate by the department
22 as to what the expected utilization of emergency room services will
23 be during fiscal year 2006-2007, given changes in the number and
24 category of Medicaid recipients. If expenditure and utilization
25 data indicate that the amount and/or type of emergency physician
26 professional services are exceeding the department's estimate, the
27 utilization adjustor shall be applied to the 2-tier reimbursement

1 methodology in such a manner as to reduce aggregate expenditures to
2 the fiscal year 2001-2002 adjusted expenditure target.

3 (3) The department shall encourage each Medicaid HMO to create
4 a criteria-based emergency room observation rate for Medicaid
5 eligibles with a length of stay of not more than 24 hours.

6 Sec. 1712. (1) Subject to the availability of funds, the
7 department shall implement a rural health initiative. Available
8 funds shall first be allocated as an outpatient adjustor payment to
9 be paid directly to hospitals in rural counties in proportion to
10 each hospital's Medicaid and indigent patient population.
11 Additional funds, if available, shall be allocated for
12 defibrillator grants, EMT training and support, or other similar
13 programs.

14 (2) Except as otherwise specified in this section, "rural"
15 means a county, city, village, or township with a population of not
16 more than 30,000, including those entities if located within a
17 metropolitan statistical area.

18 Sec. 1716. The department shall seek to maintain a constant
19 enrollment level within the Medicaid adult benefits waiver program
20 throughout fiscal year 2006-2007.

21 Sec. 1717. (1) The department shall create 2 pools for
22 distribution of disproportionate share hospital funding. The first
23 pool, totaling \$45,000,000.00, shall be distributed using the
24 distribution methodology used in fiscal year 2003-2004. The second
25 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated
26 hospitals and hospital systems that received less than \$900,000.00
27 in disproportionate share hospital payments in fiscal year 2003-

1 2004 based on a formula that is weighted proportional to the
2 product of each eligible system's Medicaid revenue and each
3 eligible system's Medicaid utilization.

4 (2) By September 30, 2007, the department shall report to the
5 senate and house appropriations subcommittees on community health
6 and the senate and house fiscal agencies on the new distribution of
7 funding to each eligible hospital from the 2 pools.

8 Sec. 1718. The department shall provide each Medicaid adult
9 home help beneficiary or applicant with the right to a fair hearing
10 when the department or its agent reduces, suspends, terminates, or
11 denies adult home help services. If the department takes action to
12 reduce, suspend, terminate, or deny adult home help services, it
13 shall provide the beneficiary or applicant with a written notice
14 that states what action the department proposes to take, the
15 reasons for the intended action, the specific regulations that
16 support the action, and an explanation of the beneficiary's or
17 applicant's right to an evidentiary hearing and the circumstances
18 under which those services will be continued if a hearing is
19 requested.

20 Sec. 1720. The department shall continue its Medicare recovery
21 program.

22 Sec. 1721. The department shall conduct a review of Medicaid
23 eligibility pertaining to funds prepaid to a nursing home or other
24 health care facility that are subsequently returned to an
25 individual who becomes Medicaid eligible and shall report its
26 findings to the members of the house and senate appropriations
27 subcommittees on community health and the house and senate fiscal

1 agencies not later than May 15, 2007. Included in its report shall
2 be recommendations for policy and procedure changes regarding
3 whether any funds prepaid to a nursing home or other health care
4 facility that are subsequently returned to an individual, after the
5 date of Medicaid eligibility and patient pay amount determination,
6 shall be considered as a countable asset and recommendations for a
7 mechanism for departmental monitoring of those funds.

8 Sec. 1722. (1) From the funds appropriated in part 1 for
9 special Medicaid reimbursement payments, the department is
10 authorized to make a disproportionate share payment of
11 \$33,167,700.00 for health services provided by Hutzel Hospital.

12 (2) The funding authorized under subsection (1) shall only be
13 expended if the necessary Medicaid matching funds are provided by,
14 or on behalf of, the hospital as allowable state match.

15 Sec. 1724. The department shall allow licensed pharmacies to
16 purchase injectable drugs for the treatment of respiratory
17 syncytial virus for shipment to physicians' offices to be
18 administered to specific patients. If the affected patients are
19 Medicaid eligible, the department shall reimburse pharmacies for
20 the dispensing of the injectable drugs and reimburse physicians for
21 the administration of the injectable drugs.

22 Sec. 1725. The department shall continue to work with the
23 department of human services to reduce Medicaid eligibility errors
24 related to basic eligibility requirements and income requirements.

25 Sec. 1726. Any clinical laboratory performing a creatinine
26 test on a Medicaid client shall report the glomerular filtration
27 rate (eGFR) of the patient and shall report it as a percent of

1 kidney function remaining.

2 Sec. 1728. The department shall make available to qualifying
3 Medicaid recipients, not based on Medicare guidelines,
4 freestanding, electric, lifting, and transferring devices.

5 Sec. 1732. The department shall assure that, if proposed
6 modifications to the quality assurance assessment program for
7 nursing homes are not implemented, the projected general
8 fund/general purpose savings shall not be achieved through
9 reductions in nursing home reimbursement rates.

10 Sec. 1735. (1) The department shall establish a committee that
11 will attempt to identify possible Medicaid program savings
12 associated with the creation of a preferred provider program for
13 durable medical equipment, prosthetics, and orthotics.

14 (2) To assure quality and access, the preferred provider
15 program shall involve providers who can offer a broad statewide
16 network of services and who are accredited by the joint commission
17 on accreditation of healthcare organizations or the accreditation
18 commission for health care, inc. and the American board for
19 certification in orthotics and prosthetics.

20 (3) This committee shall include, at minimum, representatives
21 from each of the contracted Medicaid HMOs, the medical services
22 administration, the Michigan state medical society, the Michigan
23 osteopathic society, the Michigan home health association, the
24 Michigan health and hospital association, and 2 accredited
25 providers.

26 (4) By April 1, 2007, the committee shall report to the senate
27 and house of representatives subcommittees on community health, the

1 state budget director, and the department on possible durable
2 medical equipment contracting opportunities and anticipated
3 Medicaid program savings.

4 Sec. 1737. (1) The department shall adjust current copayments
5 and premiums pursuant to changes in federal law in order to
6 increase savings from copayments and premiums by \$2,442,700.00
7 general fund/general purpose.

8 (2) Residents of adult foster care facilities shall be exempt
9 from any copayment or premium increases.

10 Sec. 1738. (1) The department shall explore ways to increase
11 the federal disproportionate share hospital cap.

12 (2) If the disproportionate share hospital cap is increased,
13 the department shall consider increasing funding for county health
14 plans and shall consider disproportionate share hospital payments
15 to trauma centers.

16 Sec. 1741. The department shall continue to provide nursing
17 homes the opportunity to receive interim payments upon their
18 request. The department shall make efforts to ensure that the
19 interim payments are as similar to expected cost-settled payments
20 as possible.

21 Sec. 1742. The department shall allow the retention of \$100.00
22 in special Medicaid reimbursement funding by any public hospital
23 that meets each of the following criteria:

24 (a) The hospital participates in the intergovernmental
25 transfers.

26 (b) The hospital is not affiliated with a university.

27 (c) The hospital provides surgical services.

1 (d) The hospital has at least 10,000 Medicaid bed days.

2 Sec. 1744. The department shall require a nursing home to have
3 an appropriate number of freestanding, electric, lifting, and
4 transferring devices as a condition of participation in the
5 Medicaid program.

6 Sec. 1746. Beginning October 1, 2006, the department shall
7 increase the monthly Medicaid personal care supplement by \$10.00 to
8 adult foster care facilities and homes for the aged providing
9 personal care services to Medicaid beneficiaries.

10 Sec. 1747. In order to be reimbursed for adult home help
11 services provided to Medicaid recipients, the matching of adult
12 home help providers with service recipients shall be coordinated by
13 the local county department of human services rather than an
14 outside entity.

15 Sec. 1748. The department shall develop, in consultation with
16 representatives of the pharmacists and nursing home service
17 providers, a Medicaid long-term care medication management pilot
18 project for Medicaid patients in nursing home settings.

19 Sec. 1749. Effective September 30, 2007, the department shall
20 require all Medicaid health plans to use the same standard billing
21 formats.

22 Sec. 1751. The department shall provide a report by April 1,
23 2007, to the house of representatives and senate appropriations
24 subcommittees on community health and the house and senate fiscal
25 agencies on establishing Medicaid diagnosis related group rates
26 based on fee-for-service and health plan costs.

27 Sec. 1752. The department shall provide a Medicaid health plan

House Bill No. 5796 (H-2) as amended May 24, 2006 (1 of 2)

1 with any information that may assist the Medicaid health plan in
2 determining whether another party may be responsible, in whole or
3 in part, for the payment of health benefits.

4 Sec. 1753. The department shall take steps to obtain data from
5 auto insurers on insurance payouts for health care claims. If the
6 auto insurers do not voluntarily release the information upon
7 request, the department shall propose legislation to require those
8 insurers to disclose that information upon request. The department
9 shall provide the information received under this section to
10 Medicaid health plans.

11 Sec. 1755. It is the intent of the legislature that within 6
12 years the department shall require all enrolled Medicaid providers
13 to establish and maintain an electronic health care information
14 system unless such a requirement is prohibited by federal or state
15 law.

16 Sec. 1756. Not later than March 1, 2007, the department shall
17 establish and implement a specialized case management program to
18 serve the most costly Medicaid beneficiaries, including persons
19 with chronic diseases and mental health diagnoses, high
20 prescription drug utilizers, members demonstrating noncompliance
21 with previous medical management, and neonates. The case management
22 program shall, at a minimum, provide a performance payment
23 incentive for physicians who manage the recipient's care and health
24 costs in the most effective way. The department may also develop
25 additional contractual arrangements with 1 or more Medicaid HMOs
26 for the provision of specialized case management services.

[Sec. 1757. The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country before approving Medicaid eligibility. In all instances in which the department becomes aware that a person that is residing in this country illegally has either obtained or applied for Medicaid, the department shall refer the matter to an appropriate law enforcement authority for further action.]

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27

Sec. 1758. The department shall submit a report on the number

1 of illegal immigrants who qualify for Medicaid and the annual
2 amount of Medicaid expenditures for this population to the house of
3 representatives and senate appropriations subcommittees on
4 community health and the house and senate fiscal agencies by April
5 1, 2007.

6 Sec. 1759. The department shall implement the following long-
7 term care policy changes included in the federal deficit reduction
8 act of 2005, Public Law 109-171:

9 (a) Lengthening the look back policy for asset transfers from
10 3 to 5 years.

11 (b) Changing the penalty period to begin the day an individual
12 applies for Medicaid.

13 (c) Individuals with more than \$500,000.00 in home equity do
14 not qualify for Medicaid.

15 Sec. 1760. In addition to the funds appropriated in part 1 for
16 the health information technology initiatives, the department shall
17 seek out and apply for federal and private grant funding for health
18 information technology efforts.

19 Sec. 1761. (1) The department and Medicaid contracted health
20 plans shall distribute 100% of the payments funded by the
21 additional hospital tax, after a \$20,000,000.00 allocation to the
22 general fund, to hospitals using a lump sum distribution
23 methodology.

24 (2) The department shall distribute all funds recovered by the
25 medical services administration from prior and future Medicaid
26 access to care initiative payments exceeding the hospital upper
27 payment limit for inpatient and outpatient services to hospitals

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meeting any of the following characteristics:

(a) Is located in a rural county as determined by the most recent United States census.

(b) Is a Medicare sole community hospital.

(c) Is a Medicare dependent hospital and rural referral center hospital.

(3) The distribution under subsection (2) shall be based upon each hospital's Medicaid fee-for-service and HMO payments as developed in consultation with rural hospitals and the Michigan health and hospital association.

Sec. 1762. In order to save money, the department shall adopt an Internet-based workflow management tool to streamline administrative functions such as prior authorizations, provider correspondence, provider enrollment, third-party recovery, level of care determinations, claims processing, and provider, interdepartmental, and contractor communication.

Sec. 1763. From the funds appropriated in part 1 for health information technology initiatives, the department shall participate in a pilot project related to the electronic exchange of health information in southeast Michigan.

[Sec. 1764. The department will annually certify rates paid to Medicaid health plans as being actuarially sound in accordance with federal requirements and will provide a copy of the rate certification and approval immediately to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies.]

Sec. 1765. (1) From the funds appropriated in part 1 for hospital services and therapy, \$8,311,800.00 shall be allocated to out-state hospitals based on a formula that is weighted proportional to each eligible hospital's uncompensated care.

(2) Upon federal approval of the \$5,000,000.00 DSH pool in section 1717, the funding in subsection (1) shall be allocated to increase the pharmacy dispensing fee authorized in section 1620(1) by \$0.62 per prescription. Any amount of funding in subsection (1) that is not expended for the dispensing fee increase shall be expended as specified in subsection (1).]

22

CORRECTIONS

23

PART 1

24

LINE-ITEM APPROPRIATIONS

25

Sec. 101. Subject to the conditions set forth in this article,

the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CORRECTIONS

APPROPRIATION SUMMARY:

Average population 51,490

Full-time equated unclassified positions..... 16.0

Full-time equated classified positions..... 17,812.5

GROSS APPROPRIATION..... \$ 1,917,421,500

Appropriated from:

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 1,238,400

ADJUSTED GROSS APPROPRIATION..... \$ 1,916,183,100

Federal revenues:

Total federal revenues..... 11,431,500

Special revenue funds:

Total local revenues..... 420,900

Total private revenues..... 0

Total other state restricted revenues..... 68,775,700

State general fund/general purpose..... \$ 1,835,555,000

Sec. 102. EXECUTIVE (SAFETY)

Full-time equated unclassified positions..... 16.0

Full-time equated classified positions..... 229.2

Unclassified positions--16.0 FTE positions..... \$ 1,368,800

Executive direction--37.0 FTE positions..... 4,641,800

1	Policy and strategic planning--34.0 FTE positions	6,630,100
2	Prisoner reintegration programs	12,552,900
3	Human resources--158.2 FTE positions	15,463,100
4	Human resources optimization user charges	1,050,800
5	Training	11,727,500
6	Worker's compensation	17,794,000
7	Sheriffs' coordinating and training office	<u>500,000</u>
8	GROSS APPROPRIATION	\$ 71,729,000
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG-MDSP, Michigan justice training fund	695,900
12	Federal revenues:	
13	DOJ, prisoner reintegration	1,035,000
14	DOJ, state criminal alien assistance program	81,300
15	Special revenue funds:	
16	Local corrections officer training fund	500,000
17	State general fund/general purpose	\$ 69,416,800
18	Sec. 103. ADMINISTRATION AND PROGRAMS (SAFETY)	
19	Full-time equated classified positions	292.9
20	Administrative services--73.9 FTE positions	\$ 6,925,600
21	Substance abuse testing and treatment	18,311,000
22	Inmate legal services	314,900
23	Prison industries operations--219.0 FTE positions	19,248,500
24	Rent	2,095,200
25	Equipment and special maintenance	425,500
26	Compensatory buyout and union leave bank	100
27	Alternative correctional facility leases	100

1	Prosecutorial and detainer expenses		<u>4,051,000</u>
2	GROSS APPROPRIATION	\$	51,371,900
3	Appropriated from:		
4	Federal revenues:		
5	DOJ, office of justice programs, Byrne grants		729,400
6	DOJ, office of justice programs, RSAT		1,093,400
7	Special revenue funds:		
8	Correctional industries revolving fund		19,352,700
9	State general fund/general purpose	\$	30,196,400
10	Sec. 104. FIELD OPERATIONS ADMINISTRATION (SAFETY)		
11	Full-time equated classified positions	1,883.9	
12	Field operations--1,772.9 FTE positions	\$	142,634,100
13	Parole and probation special operations program		1,800,000
14	Parole board operations--27.0 FTE positions		2,525,000
15	Loans to parolees		294,400
16	Parole/probation services		2,867,300
17	Community re-entry centers--48.0 FTE positions		14,295,200
18	Electronic monitoring center--36.0 FTE positions		<u>5,608,900</u>
19	GROSS APPROPRIATION	\$	170,024,900
20	Appropriated from:		
21	Special revenue funds:		
22	Local - community tether program reimbursement		420,900
23	Parole and probation oversight fees		10,329,700
24	Tether program, participant contributions		5,767,900
25	Parole and probation oversight fees set-aside		2,867,300
26	Community re-entry centers, offender revenues		368,700
27	Telephone fees and commissions		902,600

1	State general fund/general purpose.....	\$	149,367,800
2	Sec. 105. COMMUNITY CORRECTIONS (SAFETY)		
3	Full-time equated classified positions.....	17.0	
4	Community corrections administration--17.0 FTE		
5	positions	\$	1,727,500
6	Residential services.....		16,925,500
7	Community corrections comprehensive plans and services		12,533,000
8	Public education and training.....		50,000
9	Regional jail program.....		100
10	Alternatives to prison jail program.....		1,619,600
11	Alternatives to prison treatment program.....		400,000
12	Felony drunk driver jail reduction and community		
13	treatment program		2,097,400
14	County jail reimbursement program.....		<u>13,249,000</u>
15	GROSS APPROPRIATION.....	\$	48,602,100
16	Appropriated from:		
17	Special revenue funds:		
18	Telephone fees and commissions.....		11,775,100
19	Civil infraction fees.....		7,514,400
20	Parole and probation oversight fees set-aside		400,000
21	State general fund/general purpose.....	\$	28,912,600
22	Sec. 106. CONSENT DECREES (SAFETY)		
23	Full-time equated classified positions.....	471.3	
24	Hadix consent decree--138.0 FTE positions.....	\$	11,495,300
25	DOJ consent decree--106.8 FTE positions.....		9,466,100
26	DOJ psychiatric plan - MDCH mental health services ...		36,018,600
27	DOJ psychiatric plan - MDOC staff and services--226.5		

1	FTE positions		<u>16,797,000</u>
2	GROSS APPROPRIATION.....	\$	73,777,000
3	Appropriated from:		
4	State general fund/general purpose.....	\$	73,777,000
5	Sec. 107. HEALTH CARE (SAFETY)		
6	Full-time equated classified positions.....		1,043.1
7	Health care administration--22.0 FTE positions.....	\$	2,928,500
8	Hospital and specialty care services.....		58,851,700
9	Vaccination program.....		691,200
10	Northern region clinical complexes--243.4 FTE		
11	positions		29,029,800
12	Southeastern region clinical complexes--472.3 FTE		
13	positions		61,895,800
14	Southwestern region clinical complexes--305.4 FTE		
15	positions		<u>36,017,800</u>
16	GROSS APPROPRIATION.....	\$	189,414,800
17	Appropriated from:		
18	Special revenue funds:		
19	Prisoner health care copayments.....		331,400
20	State general fund/general purpose.....	\$	189,083,400
21	Sec. 108. CORRECTIONAL FACILITIES-ADMINISTRATION		
22	(SAFETY)		
23	Average population		240
24	Full-time equated classified positions.....		451.9
25	Correctional facilities administration--39.0 FTE		
26	positions	\$	5,877,900
27	Housing inmates in federal institutions.....		552,600

1	Education services and federal education grants--10.0	
2	FTE positions	5,692,800
3	Federal school lunch program.....	712,800
4	Leased beds and alternatives to leased beds	100
5	Inmate housing fund--32.4 FTE positions	588,100
6	Average population	240
7	Academic/vocational programs--370.5 FTE positions	<u>27,847,600</u>
8	GROSS APPROPRIATION.....	\$ 41,271,900
9	Appropriated from:	
10	Federal revenues:	
11	DAG-FNS, national school lunch.....	712,800
12	DED-OESE, title 1.....	519,700
13	DED-OVAE, adult education.....	1,884,900
14	DED, adult literacy grants.....	307,100
15	DED-OSERS.....	100,800
16	DED, vocational education equipment.....	276,200
17	DED, youthful offender/specter grant.....	1,284,200
18	DOJ-BOP, federal prisoner reimbursement.....	372,600
19	DOJ-OJP, serious and violent offender reintegration	
20	initiative	1,010,000
21	DOJ, prison rape elimination act grant.....	1,000,000
22	SSA-SSI, incentive payment.....	119,900
23	State general fund/general purpose.....	\$ 33,683,700
24	Sec. 109. NORTHERN REGION CORRECTIONAL FACILITIES	
25	(SAFETY)	
26	Average population	15,406
27	Full-time equated classified positions.....	4,208.1

1	Alger maximum correctional facility - Munising--343.0	
2	FTE positions	\$ 31,698,300
3	Average population	849
4	Baraga maximum correctional facility - Baraga--413.5	
5	FTE positions	37,320,400
6	Average population	1,172
7	Chippewa correctional facility - Kincheloe--524.3 FTE	
8	positions	47,743,100
9	Average population	2,122
10	Kinross correctional facility - Kincheloe--572.7 FTE	
11	positions	55,446,200
12	Average population	2,759
13	Marquette branch prison - Marquette--367.7 FTE	
14	positions	35,818,400
15	Average population	1,070
16	Newberry correctional facility - Newberry--349.0 FTE	
17	positions	30,945,600
18	Average population	1,204
19	Oaks correctional facility - Eastlake--356.5 FTE	
20	positions	34,731,400
21	Average population	1,156
22	Ojibway correctional facility - Marenisco--284.8 FTE	
23	positions	25,289,700
24	Average population	1,330
25	Pugsley correctional facility - Kingsley--245.8 FTE	
26	positions	21,609,400
27	Average population	1,158

1	Saginaw correctional facility - Freeland--348.0 FTE	
2	positions	32,591,100
3	Average population	1,480
4	Standish maximum correctional facility - Standish--	
5	402.8 FTE positions	<u>37,963,500</u>
6	Average population	1,106
7	GROSS APPROPRIATION.....	\$ 391,157,100
8	Appropriated from:	
9	Special revenue funds:	
10	Facility public works user fees.....	1,370,400
11	Resident stores.....	1,298,700
12	State general fund/general purpose.....	\$ 388,488,000
13	Sec. 110. SOUTHEASTERN REGION CORRECTIONAL	
14	FACILITIES (SAFETY)	
15	Average population	17,402
16	Full-time equated classified positions.....	4,901.0
17	Cooper street correctional facility - Jackson--266.8	
18	FTE positions	\$ 25,591,300
19	Average population	1,360
20	G. Robert Cotton correctional facility - Jackson--	
21	429.3 FTE positions	39,450,000
22	Average population	1,854
23	Charles E. Egeler correctional facility - Jackson--	
24	529.4 FTE positions	52,172,900
25	Average population	1,591
26	Gus Harrison correctional facility - Adrian--512.8 FTE	
27	positions	47,575,000

1	Average population	2,262	
2	Huron Valley correctional complex - Ypsilanti--692.0		
3	FTE positions		65,344,000
4	Average population	1,658	
5	Macomb correctional facility - New Haven--321.5 FTE		
6	positions		28,850,000
7	Average population	1,228	
8	Mound correctional facility - Detroit--277.8 FTE		
9	positions		25,084,800
10	Average population	1,051	
11	Parnall correctional facility - Jackson--264.4 FTE		
12	positions		24,830,100
13	Average population	1,359	
14	Ryan correctional facility - Detroit--316.8 FTE		
15	positions		29,129,600
16	Average population	1,059	
17	Robert Scott correctional facility - Plymouth--339.8		
18	FTE positions		30,185,700
19	Average population	880	
20	Southern Michigan correctional facility - Jackson--		
21	417.8 FTE positions		36,959,400
22	Average population	1,481	
23	Thumb correctional facility - Lapeer--324.6 FTE		
24	positions		29,985,100
25	Average population	1,219	
26	Special alternative incarceration program (Camp		
27	Cassidy Lake)--126.0 FTE positions.....		11,209,300

1	Average population	400	
2	Jackson area support and services--82.0 FTE positions		<u>14,370,500</u>
3	GROSS APPROPRIATION.....	\$	460,737,700
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDG-MDCH, forensic center food service		542,500
7	Federal revenues:		
8	DOJ, state criminal alien assistance program		904,200
9	Special revenue funds:		
10	Facility public works user fees		1,430,200
11	Resident stores		1,521,300
12	State general fund/general purpose	\$	456,339,500
13	Sec. 111. SOUTHWESTERN REGION CORRECTIONAL		
14	FACILITIES (SAFETY)		
15	Average population	18,442	
16	Full-time equated classified positions.....	4,314.1	
17	Bellamy Creek correctional facility - Ionia--468.1 FTE		
18	positions	\$	44,553,600
19	Average population	1,830	
20	Earnest C. Brooks correctional facility - Muskegon--		
21	483.9 FTE positions		45,248,300
22	Average population	2,200	
23	Carson City correctional facility - Carson City--498.6		
24	FTE positions		46,447,300
25	Average population	2,200	
26	Richard A. Handlon correctional facility - Ionia--		
27	255.2 FTE positions		24,286,100

1	Average population	1,320	
2	Ionia maximum correctional facility - Ionia--323.8 FTE		
3	positions		29,053,500
4	Average population	667	
5	Lakeland correctional facility - Coldwater--687.9 FTE		
6	positions		64,655,800
7	Average population	3,102	
8	Muskegon correctional facility - Muskegon--245.4 FTE		
9	positions		24,631,100
10	Average population	1,326	
11	Pine River correctional facility - St. Louis--223.6		
12	FTE positions		20,301,400
13	Average population	1,120	
14	Riverside correctional facility - Ionia--511.8 FTE		
15	positions		48,696,300
16	Average population	2,331	
17	St. Louis correctional facility - St. Louis--615.8 FTE		
18	positions		<u>54,843,200</u>
19	Average population	2,346	
20	GROSS APPROPRIATION.....	\$	402,716,600
21	Appropriated from:		
22	Special revenue funds:		
23	Facility public works user fees.....		587,300
24	Resident stores.....		1,778,700
25	State general fund/general purpose.....	\$	400,350,600
26	Sec. 112. INFORMATION TECHNOLOGY (SAFETY)		
27	Information technology services and projects.....	\$	<u>16,618,500</u>

1	GROSS APPROPRIATION.....	\$	16,618,500
2	Appropriated from:		
3	Special revenue funds:		
4	Correctional industries revolving fund.....		137,800
5	Parole and probation oversight fees set-aside		541,500
6	State general fund/general purpose	\$	15,939,200

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 **GENERAL SECTIONS**

10 Sec. 201. Pursuant to section 30 of article IX of the state
 11 constitution of 1963, total state spending from state resources
 12 under part 1 for fiscal year 2006-2007 is \$1,904,330,700.00 and
 13 state spending from state resources to be paid to local units of
 14 government for fiscal year 2006-2007 is \$90,341,500.00. The
 15 itemized statement below identifies appropriations from which
 16 spending to local units of government will occur:

17 DEPARTMENT OF CORRECTIONS

18	Field operations - assumption of county probation		
19	staff	\$	45,499,500
20	Public service work projects		11,216,400
21	Community corrections comprehensive plans and services		12,533,000
22	Community corrections residential services		16,925,500
23	Community corrections public education and training ..		50,000
24	Felony drunk driver jail reduction and community		
25	treatment program		2,097,400

1	Alternatives to prison jail program.....	1,619,600
2	Alternatives to prison treatment program.....	400,000
3	Regional jail program.....	<u>100</u>
4	TOTAL.....	\$ 90,341,500

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

8 Sec. 203. As used in this article:

9 (a) "DAG" means the United States department of agriculture.

10 (b) "DAG-FNS" means the DAG food and nutrition service.

11 (c) "DED" means the United States department of education.

12 (d) "DED-OESE" means the DED office of elementary and
13 secondary education.

14 (e) "DED-OSERS" means the DED office of special education and
15 rehabilitative services.

16 (f) "DED-OVAE" means the DED office of vocational and adult
17 education.

18 (g) "Department" or "MDOC" means the Michigan department of
19 corrections.

20 (h) "DOJ" means the United States department of justice.

21 (i) "DOJ-BOP" means the DOJ bureau of prisons.

22 (j) "DOJ-OJP" means the DOJ office of justice programs.

23 (k) "FTE" means full-time equated.

24 (l) "GPS" means global positioning system.

25 (m) "IDG" means interdepartmental grant.

26 (n) "IDT" means intradepartmental transfer.

27 (o) "MDCH" means the Michigan department of community health.

1 (p) "MDSP" means the Michigan department of state police.

2 (q) "MPRI" means the Michigan prisoner reentry initiative.

3 (r) "OCC" means the office of community corrections.

4 (s) "RSAT" means residential substance abuse treatment.

5 (t) "SSA" means the United States social security
6 administration.

7 (u) "SSA-SSI" means SSA supplemental security income.

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

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

20 (2) The state budget director may grant exceptions to the
21 hiring freeze imposed under subsection (1) when the state budget
22 director believes that the hiring freeze will result in rendering a
23 state department or agency unable to deliver basic services, cause
24 loss of revenue to the state, result in the inability of the state
25 to receive federal funds, or necessitate additional expenditures
26 that exceed any savings from maintaining a vacancy. The state
27 budget director shall report quarterly to the chairpersons of the

1 senate and house of representatives standing committees on
2 appropriations the number of exceptions to the hiring freeze
3 approved during the previous quarter and the reasons to justify the
4 exception.

5 Sec. 206. The department shall not take disciplinary action
6 against an employee for communicating with a member of the
7 legislature or his or her staff.

8 Sec. 207. At least 120 days before beginning any effort to
9 privatize, the department shall submit a complete project plan to
10 the appropriate senate and house of representatives appropriations
11 subcommittees and the senate and house fiscal agencies. The plan
12 shall include the criteria under which the privatization initiative
13 will be evaluated. The evaluation shall be completed and submitted
14 to the appropriate senate and house of representatives
15 appropriations subcommittees and the senate and house fiscal
16 agencies within 30 months.

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

23 Sec. 209. Funds appropriated in part 1 shall not be used for
24 the purchase of foreign goods or services, or both, if
25 competitively priced and comparable quality American goods or
26 services, or both, are available. Preference should be given to
27 goods or services, or both, manufactured or provided by Michigan

1 businesses if they are competitively priced and of comparable
2 quality.

3 Sec. 210. (1) Pursuant to the provisions of civil service
4 rules and regulations and applicable collective bargaining
5 agreements, individuals seeking employment with the department
6 shall submit to a controlled substance test. The test shall be
7 administered by the department.

8 (2) Individuals seeking employment with the department who
9 refuse to take a controlled substance test or who test positive for
10 the illicit use of a controlled substance on such a test shall be
11 denied employment.

12 Sec. 211. The department may charge fees and collect revenues
13 in excess of appropriations in part 1 not to exceed the cost of
14 offender services and programming, employee meals, parolee loans,
15 academic/vocational services, custody escorts, compassionate
16 visits, union steward activities, public work programs, and
17 services provided to units of government. The revenues and fees
18 collected are appropriated for all expenses associated with these
19 services and activities.

20 Sec. 212. Preference should be given to purchasing produce
21 from Michigan growers and processors when their produce is
22 competitively priced and of comparable quality.

23 Sec. 213. By February 15, 2007, the department shall provide
24 the members of the senate and house appropriations subcommittees on
25 corrections, the senate and house fiscal agencies, and the state
26 budget director with a report detailing nongeneral fund/general
27 purpose sources of revenue, including, but not limited to, federal

1 revenues, state restricted revenues, local and private revenues,
2 offender reimbursements and other payments, revolving funds, and 1-
3 time sources of revenue, whether or not such revenues were
4 appropriated. The report shall include statements detailing for
5 each account the total amount of revenue received during fiscal
6 year 2005-2006, the amount by which the revenue exceeded any
7 applicable appropriated fund source, the amount spent during fiscal
8 year 2005-2006, the account balance at the close of fiscal year
9 2005-2006, and the projected revenues and expenditures for fiscal
10 year 2006-2007.

11 Sec. 214. From the funds appropriated in part 1 for
12 information technology, the department shall pay user fees to the
13 department of information technology for technology-related
14 services and projects. These user fees are subject to provisions of
15 an interagency agreement between the departments and agencies and
16 the department of information technology.

17 Sec. 215. Amounts appropriated in part 1 for information
18 technology may be designated as work projects and carried forward
19 to support department of corrections technology projects under the
20 direction of the department of information technology. Funds
21 designated in this manner are not available for expenditure until
22 approved as work projects under section 451a of the management and
23 budget act, 1984 PA 431, MCL 18.1451a.

24 Sec. 216. (1) Due to the current budgetary problems in this
25 state, out-of-state travel for the fiscal year ending September 30,
26 2007 is limited to situations in which 1 or more of the following
27 conditions apply:

1 (a) The travel is required by legal mandate or court order or
2 for law enforcement purposes.

3 (b) The travel is necessary to protect the health, safety, or
4 health and safety of Michigan citizens or visitors or to assist
5 other states in similar circumstances.

6 (c) The travel is necessary to produce budgetary savings or to
7 increase state revenues, or both, including protecting existing
8 federal funds or securing additional federal funds.

9 (d) The travel is necessary to comply with federal
10 requirements.

11 (e) The travel is necessary to secure specialized training for
12 staff that is not available within this state.

13 (f) The travel is financed entirely by federal or nonstate
14 funds.

15 (2) If out-of-state travel is necessary but does not meet 1 or
16 more of the conditions listed in subsection (1), the state budget
17 director may grant an exception to allow the travel. Any exceptions
18 granted by the state budget director shall be reported on a monthly
19 basis to the senate and house standing committees on
20 appropriations.

21 (3) Not later than January 1 of each year, each department
22 shall prepare a travel report listing all travel by classified and
23 unclassified employees outside this state in the immediately
24 preceding fiscal year that was funded in whole or in part with
25 funds appropriated in the department's budget. The report shall be
26 submitted to the chairs and members of the senate and house
27 standing committees on appropriations, the fiscal agencies, and the

1 state budget director. The report shall include the following
2 information:

3 (a) The name of each person receiving reimbursement for travel
4 outside this state or whose travel costs were paid by this state.

5 (b) The destination of each travel occurrence.

6 (c) The dates of each travel occurrence.

7 (d) A brief statement of the reason for each travel
8 occurrence.

9 (e) The transportation and related costs of each travel
10 occurrence, including the proportion funded with state general
11 fund/general purpose revenues, the proportion funded with state
12 restricted revenues, the proportion funded with federal revenues,
13 and the proportion funded with other revenues.

14 (f) A total of all out-of-state travel funded for the
15 immediately preceding fiscal year.

16 Sec. 217. The director shall take all reasonable steps to
17 ensure businesses in deprived and depressed communities compete for
18 and perform contracts to provide services, supplies, or both. The
19 director shall strongly encourage firms with which the department
20 contracts to subcontract with certified businesses in deprived and
21 depressed communities for services, supplies, or both.

22 **EXECUTIVE**

23 Sec. 401. The department shall submit 3-year and 5-year prison
24 population projection updates by February 1, 2007 to the senate and
25 house appropriations subcommittees on corrections, the senate and
26 house fiscal agencies, and the state budget director. The report

1 shall include explanations of the methodology and assumptions used
2 in developing the projection updates.

3 Sec. 402. The department shall prepare by April 1, 2007
4 individual reports for the community re-entry program, the
5 electronic tether program, and the special alternative to
6 incarceration program. The reports shall be submitted to the house
7 and senate appropriations subcommittees on corrections, the house
8 and senate fiscal agencies, and the state budget director. Each
9 program's report shall include information on all of the following:

10 (a) Monthly new participants.

11 (b) Monthly participant unsuccessful terminations, including
12 cause.

13 (c) Number of successful terminations.

14 (d) End month population by facility/program.

15 (e) Average length of placement.

16 (f) Return to prison statistics.

17 (g) Description of each program location or locations,
18 capacity, and staffing.

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

21 (i) Comparison with prior year statistics.

22 (j) Analysis of the impact on prison admissions and jail
23 utilization and the cost effectiveness of the program.

24 Sec. 403. The department shall report to the senate and house
25 appropriations subcommittees on corrections, the senate and house
26 fiscal agencies, and the state budget director by April 1, 2007 on
27 the ratio of correctional officers to prisoners for each

1 correctional institution, the ratio of shift command staff to line
2 custody staff, and the ratio of noncustody institutional staff to
3 prisoners for each correctional institution.

4 Sec. 404. (1) The department shall review and revise as
5 necessary policy proposals that provide alternatives to prison for
6 offenders being sentenced to prison as a result of technical
7 probation violations and technical parole violations. To the extent
8 the department has insufficient policies or resources to affect the
9 continued increase in prison commitments among these offender
10 populations, the department shall explore other policy options to
11 allow for program alternatives, including department or OCC-funded
12 programs, local level programs, and programs available through
13 private agencies that may be used as prison alternatives for these
14 offenders.

15 (2) To the extent policies or programs described in subsection
16 (1) are used, developed, or contracted for, the department may
17 request that funds appropriated in part 1 be transferred under
18 section 393(2) of the management and budget act, 1984 PA 431, MCL
19 18.1393, for their operation.

20 (3) The department shall continue to utilize parole violator
21 processing guidelines that require parole agents to utilize all
22 available appropriate community-based, nonincarcerative postrelease
23 sanctions and services when appropriate. The department shall
24 periodically evaluate such guidelines for modification, in response
25 to emerging information from the pilot projects for substance abuse
26 treatment provided under this article and applicable provisions of
27 prior budget acts for the department.

1 (4) By May 1, 2007, the department shall report to the senate
2 and house appropriations subcommittees on corrections, the senate
3 and house fiscal agencies, and the state budget director on the
4 number of all parolees returned to prison and probationers
5 sentenced to prison for either a technical violation or new
6 sentence from October 1, 2006 through March 30, 2007. After May 1,
7 2007, the department shall provide monthly reports. The reports
8 shall include the following information each for probationers,
9 parolees after their first parole, and parolees who have been
10 paroled more than once:

11 (a) The number of offenders returned for a new crime with a
12 comparison of original versus new offenses by major offense type:
13 assaultive, nonassaultive, drug, and sex.

14 (b) The number of offenders returned for a technical violation
15 and the type of violation, including, but not limited to, zero gun
16 tolerance and substance abuse violations.

17 (c) The educational history of those offenders, including how
18 many had a G.E.D. or high school diploma prior to incarceration in
19 prison, how many received a G.E.D. while in prison, and how many
20 received a vocational certificate while in prison.

21 (d) The number of offenders who participated in the MPRI
22 versus the number of those who did not.

23 Sec. 405. Funds included in part 1 for the sheriffs'
24 coordinating and training office are appropriated for and may be
25 expended to defray costs of continuing education, certification,
26 recertification, decertification, and training of local corrections
27 officers, the personnel and administrative costs of the sheriffs'

1 coordinating and training office, the local corrections officers
2 advisory board, and the sheriffs' coordinating and training council
3 under the local corrections officers training act, 2003 PA 125, MCL
4 791.531 to 791.546.

5 Sec. 406. (1) By April 1, 2007, the department shall provide a
6 report on prisoner reintegration programs to the members of the
7 senate and house appropriations subcommittees on corrections, the
8 senate and house fiscal agencies, and the state budget director. At
9 a minimum, the report shall include all of the following
10 information:

11 (a) Allocations and projected expenditures for each project
12 funded and for each project to be funded, itemized by service to be
13 provided and service provider.

14 (b) An explanation of the objectives and results measures for
15 each program.

16 (c) An explanation of how the programs will be evaluated.

17 (d) A discussion of the evidence and research upon which each
18 program is based.

19 (e) A discussion and estimate of the impact of prisoner
20 reintegration programs on reoffending and returns to prison.

21 (f) A progress report on applicable results of each program,
22 including, but not limited to, the estimated bed space impact of
23 prisoner reintegration programs.

24 (2) The department shall provide quarterly reports on January
25 1, 2007, April 1, 2007, July 1, 2007, and September 30, 2007 to the
26 senate and house appropriations subcommittees on corrections, the
27 senate and house fiscal agencies, and the state budget director on

1 the status and recidivism levels of offenders who participated in
2 the MPRI and have been released. The data should be broken out by
3 the following 4 offender types: drug, nonassaultive, assaultive,
4 and sex.

5 (3) By September 30, 2007, the department shall report to the
6 senate and house appropriations subcommittees on corrections, the
7 senate and house fiscal agencies, and the state budget director a
8 comparison of the overall recidivism rates and length of time prior
9 to prison return of offenders who participated in the MPRI with
10 those of offenders who did not. The report should disaggregate the
11 information by each pilot site in order to compare the practices
12 and success rates of each pilot.

13 (4) If practicable, the department shall include prisoners
14 nearing their maximum sentence in the prison phases of the MPRI.

15 Sec. 407. From the funds appropriated in part 1, the department
16 shall maintain and make publicly accessible the files of all felony
17 offenders even after an offender is no longer under the
18 department's jurisdiction on the offender tracking information
19 system in the same manner as files of current offenders.

20 Sec. 408. By March 1, 2007, the department shall report to the
21 senate and house subcommittees on corrections, the senate and house
22 fiscal agencies, and the state budget director on offenders who
23 have served their maximum sentence and been released from prison in
24 the last 5 years. The report shall include the following
25 information:

26 (a) The number of offenders who were paroled and returned to
27 prison prior to serving their maximum sentence compared to the

1 number of offenders who served their maximum sentence without ever
2 having been paroled.

3 (b) The number of offenders disaggregated by major offense type:
4 assaultive, nonassaultive, drug, and sex.

5 (c) The educational history of those offenders, including how
6 many had a G.E.D. or high school diploma prior to incarceration in
7 prison, how many received a G.E.D. while in prison, and how many
8 received a vocational certificate while in prison.

9 (d) A comparison of each offender's original offense to the
10 offender's new offense by major offense type: assaultive,
11 nonassaultive, drug, and sex, for offenders who have since returned
12 to prison with a new commitment after previously serving a maximum
13 sentence.

14 Sec. 409. As a condition of expending funds appropriated for
15 policy and strategic planning and prisoner reintegration programs
16 under section 102 of this article, the department shall by January
17 31, 2007 provide a plan to reduce recidivism rates among prisoners
18 released from correctional facilities to the members of the senate
19 and house appropriations committees, the senate and house fiscal
20 agencies, and the state budget director. The plan shall include
21 detailed information on recidivism rates in this state for the most
22 recent 5-year period, a detailed comparison of those rates to rates
23 in other states and a national average, and details on how the
24 department plans to improve recidivism rates. The plan also shall
25 include details on how the department proposes to measure the
26 success of the plan.

1 **ADMINISTRATION AND PROGRAMS**

2 Sec. 501. From the funds appropriated in part 1 for
3 prosecutorial and detainer expenses, the department shall reimburse
4 counties for housing and custody of parole violators and offenders
5 being returned by the department from community placement who are
6 available for return to institutional status and for prisoners who
7 volunteer for placement in a county jail.

8 Sec. 502. (1) The department shall screen and assess each
9 prisoner for alcohol and other drug involvement to determine the
10 need for further treatment. The assessment process shall be
11 designed to identify the severity of alcohol and other drug
12 addiction and determine the treatment plan, if appropriate.

13 (2) Subject to the availability of funding resources, the
14 department shall provide substance abuse treatment to prisoners
15 with priority given to those prisoners who are most in need of
16 treatment and who can best benefit from program intervention based
17 on the screening and assessment provided under subsection (1).

18 Sec. 503. (1) In expending residential substance abuse
19 treatment services funds appropriated under this article, the
20 department shall ensure to the maximum extent possible that
21 residential substance abuse treatment services are available
22 statewide.

23 (2) By April 1, 2007, the department shall report to the
24 senate and house appropriations subcommittees on corrections, the
25 senate and house fiscal agencies, and the state budget director on
26 the allocation, distribution, and expenditure of all funds
27 appropriated by the substance abuse testing and treatment line item

1 during fiscal year 2005-2006 and projected for fiscal year 2006-
2 2007. The report shall include, but not be limited to, an
3 explanation of an anticipated year-end balance, the number of
4 participants in substance abuse programs, and the number of
5 offenders on waiting lists for residential substance abuse
6 programs. Information required under this subsection shall, where
7 possible, be separated by MDOC administrative region and by
8 offender type, including, but not limited to, a distinction between
9 prisoners, parolees, and probationers.

10 (3) By April 1, 2007, the department shall report to the
11 senate and house appropriations subcommittees on corrections, the
12 senate and house fiscal agencies, and the state budget director on
13 substance abuse testing and treatment program objectives, outcome
14 measures, and results, including program impact on offender
15 behavior and recidivism.

16 Sec. 504. The department shall develop and maintain a
17 statewide waiting list for offenders referred for assessment for
18 the assaultive offender program for parole eligibility and, if
19 possible, shall transfer prisoners into facilities where assaultive
20 offender programs are available in order to facilitate timely
21 participation and completion prior to parole eligibility hearings.
22 Nothing in this section should be deemed to make parole denial
23 appealable in court.

24 Sec. 505. The department shall cooperate with the department
25 of community health in providing information for and developing the
26 report required under section 425 of article 3. The report shall,
27 by April 1, 2007, provide the following data concerning mental

1 health and substance abuse services during fiscal year 2005-2006:

2 (a) The number of prisoners receiving substance abuse
3 services, including a description and breakdown of the type of
4 substance abuse services provided to prisoners.

5 (b) The number of prisoners with a primary diagnosis of mental
6 illness and the number of those prisoners receiving mental health
7 services, including a description and breakdown, encompassing, at a
8 minimum, the categories of inpatient, residential, and outpatient
9 care, of the type of mental health services provided to those
10 prisoners.

11 (c) The number of prisoners with a primary diagnosis of mental
12 illness and receiving substance abuse services, including a
13 description and breakdown, encompassing, at a minimum, the
14 categories of inpatient, residential, and outpatient care, of the
15 type of treatment provided to those prisoners.

16 (d) Data indicating if prisoners receiving mental health
17 services for a primary diagnosis of mental illness were previously
18 hospitalized in a state psychiatric hospital for persons with
19 mental illness.

20 (e) Data indicating whether prisoners with a primary diagnosis
21 of mental illness and receiving substance abuse services were
22 previously hospitalized in a state psychiatric hospital for persons
23 with mental illness.

24 **FIELD OPERATIONS ADMINISTRATION**

25 Sec. 601. From the funds appropriated in part 1, the
26 department shall conduct a statewide caseload audit of field

1 agents. The audit shall address public protection issues and assess
2 the ability of the field agents to complete their professional
3 duties. The results of the audit shall be submitted to the senate
4 and house appropriations subcommittees on corrections and the
5 senate and house fiscal agencies, and the state budget office by
6 September 30, 2007.

7 Sec. 602. (1) Of the amount appropriated in part 1 for field
8 operations, a sufficient amount shall be allocated for the
9 community service work program and shall be used for salaries and
10 wages and fringe benefit costs of community service coordinators
11 employed by the department to supervise offenders participating in
12 work crew assignments. Funds shall also be used to cover motor
13 transport division rates on state vehicles used to transport
14 offenders to community service work project sites.

15 (2) The community service work program shall provide offenders
16 with community service work of tangible benefit to a community
17 while fulfilling court-ordered community service work sanctions and
18 other postconviction obligations.

19 (3) As used in this section, "community service work" means
20 work performed by an offender in an unpaid position with a
21 nonprofit or tax-supported or government agency for a specified
22 number of hours of work or service within a given time period.

23 Sec. 603. (1) All prisoners, probationers, and parolees
24 involved with the electronic tether program shall reimburse the
25 department for costs associated with their participation in the
26 program. The department may require community service work
27 reimbursement as a means of payment for those able-bodied

1 individuals unable to pay for the costs of the equipment.

2 (2) Program participant contributions and local community
3 tether program reimbursement for the electronic tether program
4 appropriated in part 1 are related to program expenditures and may
5 be used to offset expenditures for this purpose.

6 (3) Included in the appropriation in part 1 is adequate
7 funding to implement the community tether program to be
8 administered by the department. The community tether program is
9 intended to provide sentencing judges and county sheriffs in
10 coordination with local community corrections advisory boards
11 access to the state's electronic tether program to reduce prison
12 admissions and improve local jail utilization. The department shall
13 determine the appropriate distribution of the tether units
14 throughout the state based upon locally developed comprehensive
15 corrections plans under the community corrections act, 1988 PA 511,
16 MCL 791.401 to 791.414.

17 (4) For a fee determined by the department, the department
18 shall provide counties with the tether equipment, replacement
19 parts, administrative oversight of the equipment's operation,
20 notification of violators, and periodic reports regarding county
21 program participants. Counties are responsible for tether equipment
22 installation and service. For an additional fee as determined by
23 the department, the department shall provide staff to install and
24 service the equipment. Counties are responsible for the
25 coordination and apprehension of program violators.

26 (5) Any county with tether charges outstanding over 60 days
27 shall be considered in violation of the community tether program

1 agreement and lose access to the program.

2 Sec. 604. Community-placement prisoners and parolees shall
3 reimburse the department for the total costs of the program. As an
4 alternative method of payment, the department may develop a
5 community service work schedule for those individuals unable to
6 meet reimbursement requirements established by the department.

7 Sec. 605. (1) As a condition of expending funds appropriated
8 in part 1 for field operations, the department shall develop and
9 implement a response to the findings and recommendations of the
10 national council on crime and delinquency contained in the
11 council's report on the Michigan department of corrections
12 probation and parole agent workload study, issued February 2006.

13 (2) By November 1, 2006, the department shall report to the
14 members of the senate and house appropriations subcommittees on
15 corrections, the senate and house fiscal agencies, and the state
16 budget director on the department's response to the workload study.
17 At a minimum, the report shall include:

18 (a) The department's estimate of the number of agents required
19 to meet agency standards for completing investigations and
20 supervising offenders, consistent with public safety.

21 (b) An explanation of any difference between the department's
22 estimate under subdivision (a) and that contained in the workload
23 study.

24 (c) The number of agent positions authorized and the number of
25 agent positions filled as of October 1, 2006.

26 (d) A plan for meeting agency standards with regard to field
27 agent workloads.

1 Sec. 606. It is the intent of the legislature that the
2 department shall ensure that parolees and probationers may timely
3 contact their parole or probation agents and maintain procedures
4 that preclude any necessity for an offender to have access to an
5 agent's home telephone number or other personal information
6 pertaining to the agent.

7 Sec. 607. (1) Funds appropriated in part 1 for the parole and
8 probation special operations program are appropriated for the
9 purpose of funding law enforcement officer escorts for field agents
10 making unscheduled visits to verify offenders' whereabouts and
11 activities in selected precincts in cities with a population of
12 more than 750,000 according to the most recent United States
13 decennial census. As used in this section, "unscheduled visits"
14 means visits to locations other than governmental offices between
15 the hours of 5 p.m. and 8 a.m. and made without appointment with
16 the supervised offender.

17 (2) It is the intent of the legislature that in the course of
18 expending funds appropriated under part 1 for field operations, the
19 department shall cooperate with the department of attorney general
20 and law enforcement agencies either located in or with jurisdiction
21 in cities with a population of more than 750,000 according to the
22 most recent United States decennial census in assigning field
23 agents to conduct unscheduled visits in selected police precincts
24 in cities with a population of more than 750,000 according to the
25 most recent United States decennial census.

26 Sec. 608. By May 1, 2007, the department shall report to the
27 senate and house appropriations subcommittees on corrections, the

1 senate and house fiscal agencies, and the state budget director on
2 the failure rate of parolees involved with the GPS electronic
3 tether program. The report shall include the following information
4 about these offenders:

5 (a) The number and rate of parolee technical violations,
6 including specifying failures due to committing a new crime that is
7 uncharged but leads to parole termination.

8 (b) The number and rate of parolee violators with new
9 sentences.

10 **COMMUNITY CORRECTIONS**

11 Sec. 701. The office of community corrections shall provide
12 and coordinate the delivery and implementation of services in
13 communities to facilitate successful offender reintegration into
14 the community. Programs and services to be offered shall include,
15 but are not limited to, technical assistance for comprehensive
16 corrections plan development, new program start-up funding, program
17 funding for those programs delivering services for eligible
18 offenders in geographic areas identified by the office of community
19 corrections as having a shortage of available services, technical
20 assistance, referral services for education, employment services,
21 and substance abuse and family counseling. As used in this article:

22 (a) "Alternative to incarceration in a state facility or jail"
23 means a program that involves offenders who receive a sentencing
24 disposition that appears to be in place of incarceration in a state
25 correctional facility or jail based on historical local sentencing
26 patterns or that amounts to a reduction in the length of sentence

1 in a jail.

2 (b) "Goal" means the intended or projected result of a
3 comprehensive corrections plan or community corrections program to
4 reduce prison commitment rates, to reduce the length of stay in a
5 jail, or to improve the utilization of a jail.

6 (c) "Jail" means a facility operated by a local unit of
7 government for the physical detention and correction of persons
8 charged with or convicted of criminal offenses.

9 (d) "Offender eligibility criteria" means particular criminal
10 violations, state felony sentencing guidelines descriptors, and
11 offender characteristics developed by advisory boards and approved
12 by local units of government that identify the offenders suitable
13 for community corrections programs funded through the office of
14 community corrections.

15 (e) "Offender target population" means felons or misdemeanants
16 who would likely be sentenced to imprisonment in a state
17 correctional facility or jail, who would not increase the risk to
18 the public safety, who have not demonstrated a pattern of violent
19 behavior, and who do not have criminal records that indicate a
20 pattern of violent offenses.

21 (f) "Offender who would likely be sentenced to imprisonment"
22 means either of the following:

23 (i) A felon or misdemeanor who receives a sentencing
24 disposition that appears to be in place of incarceration in a state
25 correctional facility or jail, according to historical local
26 sentencing patterns.

27 (ii) A currently incarcerated felon or misdemeanor who is

1 granted early release from incarceration to a community corrections
2 program or who is granted early release from incarceration as a
3 result of a community corrections program.

4 Sec. 702. (1) The funds included in part 1 for community
5 corrections comprehensive plans and services are to encourage the
6 development through technical assistance grants, implementation,
7 and operation of community corrections programs that serve as an
8 alternative to incarceration in a state facility or jail. The
9 comprehensive corrections plans shall include an explanation of how
10 the public safety will be maintained, the goals for the local
11 jurisdiction, offender target populations intended to be affected,
12 offender eligibility criteria for purposes outlined in the plan,
13 and how the plans will meet the following objectives, consistent
14 with section 8(4) of the community corrections act, 1988 PA 511,
15 MCL 791.408:

16 (a) Reduce admissions to prison of nonviolent offenders who
17 would have otherwise received an active sentence, including
18 probation violators.

19 (b) Improve the appropriate utilization of jail facilities,
20 the first priority of which is to open jail beds intended to house
21 otherwise prison-bound felons, and the second priority being to
22 appropriately utilize jail beds so that jail crowding does not
23 occur.

24 (c) Open jail beds through the increase of pretrial release
25 options.

26 (d) Reduce the readmission to prison of parole violators.

27 (e) Reduce the admission or readmission to prison of

1 offenders, including probation violators and parole violators, for
2 substance abuse violations.

3 (2) The award of community corrections comprehensive plans and
4 residential services funds shall be based on criteria that include,
5 but are not limited to, the prison commitment rate by category of
6 offenders, trends in prison commitment rates and jail utilization,
7 historical trends in community corrections program capacity and
8 program utilization, and the projected impact and outcome of annual
9 policies and procedures of programs on prison commitment rates and
10 jail utilization.

11 (3) Funds awarded for residential services in part 1 shall
12 provide for a per diem reimbursement of not more than \$47.50.

13 Sec. 703. The comprehensive corrections plans shall also
14 include, where appropriate, descriptive information on the full
15 range of sanctions and services that are available and utilized
16 within the local jurisdiction and an explanation of how jail beds,
17 residential services, the special alternative incarceration program
18 (boot camp), probation detention centers, the electronic monitoring
19 program for probationers, and treatment and rehabilitative services
20 will be utilized to support the objectives and priorities of the
21 comprehensive corrections plan and the purposes and priorities of
22 section 8(4) of the community corrections act, 1988 PA 511, MCL
23 791.408. The plans shall also include, where appropriate,
24 provisions that detail how the local communities plan to respond to
25 sentencing guidelines found in chapter XVII of the code of criminal
26 procedure, 1927 PA 175, MCL 777.1 to 777.69, and the use of the
27 county jail reimbursement program under section 706 of this

1 article. The state community corrections board shall encourage
2 local community corrections boards to include in their
3 comprehensive corrections plans strategies to collaborate with
4 local alcohol and drug treatment agencies of the department of
5 community health for the provision of alcohol and drug screening,
6 assessment, case management planning, and delivery of treatment to
7 alcohol- and drug-involved offenders, including, but not limited
8 to, probation and parole violators who are at risk of revocation.

9 Sec. 704. (1) As part of the March biannual report specified
10 in section 12(2) of the community corrections act, 1988 PA 511, MCL
11 791.412, that requires an analysis of the impact of that act on
12 prison admissions and jail utilization, the department shall submit
13 to the senate and house appropriations subcommittees on
14 corrections, the senate and house fiscal agencies, and the state
15 budget director the following information for each county and
16 counties consolidated for comprehensive corrections plans:

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

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

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

26 (d) Data on residential services, including participant data,
27 participant sentencing guideline scores, program expenditures,

1 average length of stay, and bed utilization data.

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

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

8 Sec. 705. (1) The department shall identify and coordinate
9 information regarding the availability of and the demand for
10 community corrections programs, jail-based community corrections
11 programs, and basic state-required jail data.

12 (2) The department is responsible for the collection,
13 analysis, and reporting of state-required jail data.

14 (3) As a prerequisite to participation in the programs and
15 services offered through the department, counties shall provide
16 basic jail data to the department.

17 Sec. 706. (1) The department shall administer a county jail
18 reimbursement program from the funds appropriated in part 1 for the
19 purpose of reimbursing counties for housing in jails felons who
20 otherwise would have been sentenced to prison.

21 (2) The county jail reimbursement program shall reimburse
22 counties for housing and custody of convicted felons if the
23 conviction was for a crime committed on or after January 1, 1999
24 and 1 of the following applies:

25 (a) The felon's sentencing guidelines recommended range upper
26 limit is more than 18 months, the felon's sentencing guidelines
27 recommended range lower limit is 12 months or less, the felon's

1 prior record variable score is 35 or more points, and the felon's
2 sentence is not for commission of a crime in crime class G or crime
3 class H under chapter XVII of the code of criminal procedure, 1927
4 PA 175, MCL 777.1 to 777.69.

5 (b) The felon's minimum sentencing guidelines range minimum is
6 more than 12 months.

7 (3) State reimbursement under this section for prisoner
8 housing and custody expenses per diverted offender shall be \$43.50
9 per diem for up to a 1-year total.

10 (4) From the funds appropriated in part 1 for the county jail
11 reimbursement program, the department shall contract for an ongoing
12 study to determine the impact of the new legislative sentencing
13 guidelines. The study shall analyze sentencing patterns of
14 jurisdictions as well as future patterns in order to determine and
15 quantify the population impact on prisons and jails of the new
16 guidelines as well as to identify and define felon or crime
17 characteristics or sentencing guidelines scores that indicate a
18 felon is a prison diversion. The department shall contract for a
19 local and statewide study for this purpose and provide periodic
20 reports regarding the status and findings of the study to the house
21 and senate appropriations subcommittees on corrections, the house
22 and senate fiscal agencies, and the state budget director.

23 (5) The department, the Michigan association of counties, and
24 the Michigan sheriffs' association shall review the periodic
25 findings of the study required in subsection (4) and, if
26 appropriate, recommend modification of the criteria for
27 reimbursement contained in subsection (2). Any recommended

1 modification shall be forwarded to the house and senate
2 appropriations subcommittees on corrections and the state budget
3 office.

4 (6) The department shall reimburse counties for offenders in
5 jail based upon the reimbursement eligibility criteria in place on
6 the date the offender was originally sentenced for the reimbursable
7 offense.

8 (7) County jail reimbursement program expenditures shall not
9 exceed the amount appropriated in part 1 for the county jail
10 reimbursement program. Payments to counties under the county jail
11 reimbursement program shall be made in the order in which properly
12 documented requests for reimbursements are received. A request
13 shall be considered to be properly documented if it meets MDOC
14 requirements for documentation. The department shall by October 15,
15 2006 distribute the documentation requirements to all counties.

16 Sec. 707. (1) As a condition of receipt of the funds
17 appropriated in part 1 for community corrections plans and services
18 and probation residential centers, the department shall only award
19 those funds requested under a properly prepared and approved
20 comprehensive corrections plan submitted under section 8 of the
21 community corrections act, 1988 PA 511, MCL 791.408, or directly
22 applied for under section 10 of the community corrections act, 1988
23 PA 511, MCL 791.410.

24 (2) The department shall only halt funding for an entity
25 funded under section 8 of the community corrections act, 1988 PA
26 511, MCL 791.408, in instances of substantial noncompliance during
27 the period covered by the plan.

1 Sec. 708. (1) Funds included in part 1 for the felony drunk
2 driver jail reduction and community treatment program are
3 appropriated for and may be expended for any of the following
4 purposes:

5 (a) To increase availability of treatment options to reduce
6 drunk driving and drunk driving-related deaths by addressing the
7 alcohol addiction of felony drunk drivers who otherwise likely
8 would be sentenced to jail or a combination of jail and other
9 sanctions.

10 (b) To divert from jail sentences or to reduce the length of
11 jail sentences for felony drunk drivers who otherwise would have
12 been sentenced to jail and whose recommended minimum sentence
13 ranges under sentencing guidelines established under chapter XVII
14 of the code of criminal procedure, 1927 PA 175, MCL 777.1 to
15 777.69, have upper limits of 18 months or less, through funding
16 programs that may be used in lieu of incarceration and that
17 increase the likelihood of rehabilitation.

18 (c) To provide a policy and funding framework to make
19 additional jail space available for housing convicted felons whose
20 recommended minimum sentence ranges under sentencing guidelines
21 established under chapter XVII of the code of criminal procedure,
22 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or
23 less and who likely otherwise would be sentenced to prison, with
24 the aim of enabling counties to meet or exceed amounts received
25 through the county jail reimbursement program during fiscal year
26 2002-2003 and reducing the numbers of felons sentenced to prison.

27 (2) Expenditure of funds included in part 1 for the felony

1 drunk driver jail reduction and community treatment program shall
2 be by grant awards consistent with standards developed by a
3 committee of the state community corrections advisory board. The
4 chairperson of the committee shall be the board member representing
5 county sheriffs. Remaining members of the committee shall be
6 appointed by the chairperson of the board.

7 (3) In developing annual standards, the committee shall
8 consult with interested agencies and associations. Standards
9 developed by the committee shall include application criteria,
10 performance objectives and measures, funding allocations, and
11 allowable uses of the funds, consistent with the purposes specified
12 in this section.

13 (4) Allowable uses of the funds shall include reimbursing
14 counties for transportation, treatment costs, and housing felony
15 drunk drivers during a period of assessment for treatment and case
16 planning. Reimbursements for housing during the assessment process
17 shall be at the rate of \$43.50 per day per offender, up to a
18 maximum of 5 days per offender.

19 (5) The standards developed by the committee shall assign each
20 county a maximum funding allocation based on the amount the county
21 received under the county jail reimbursement program in fiscal year
22 2001-2002 for housing felony drunk drivers whose recommended
23 minimum sentence ranges under the sentencing guidelines described
24 in subsection (1)(c) had upper limits of 18 months or less.

25 (6) Awards of funding under this section shall be provided
26 consistent with the local comprehensive corrections plans developed
27 under the community corrections act, 1988 PA 511, MCL 791.401 to

1 791.414. Funds awarded under this section may be used in
2 conjunction with funds awarded under grant programs established
3 under that act. Due to the need for felony drunk drivers to be
4 transitioned from county jails to community treatment services, it
5 is the intent of the legislature that local units of government
6 utilize funds received under this section to support county sheriff
7 departments.

8 (7) As used in this section, "felony drunk driver" means a
9 felon convicted of operating a motor vehicle under the influence of
10 intoxicating liquor or a controlled substance, or both, third or
11 subsequent offense, under section 625(9)(c) of the Michigan vehicle
12 code, 1949 PA 300, MCL 257.625, or its predecessor statute,
13 punishable as a felony.

14 Sec. 709. (1) By April 1, 2007, the department shall report to
15 the members of the senate and house appropriations subcommittees on
16 corrections, the senate and house fiscal agencies, and the state
17 budget director on each of the following programs from the previous
18 fiscal year:

19 (a) The county jail reimbursement program.

20 (b) The felony drunk driver jail reduction and community
21 treatment program.

22 (c) The alternatives to prison jail and treatment programs.

23 (d) The jail capacity expansion program.

24 (e) New initiatives to control prison population growth funded
25 under residential services and comprehensive plans and services.

26 (2) For each program listed under subsection (1), the report
27 under subsection (1) shall include information on each of the

1 following:

2 (a) Program objectives and outcome measures.

3 (b) Expenditures by location.

4 (c) The impact on jail utilization.

5 (d) The impact on prison admissions.

6 (e) Other information relevant to an evaluation of the
7 program.

8 **CONSENT DECREES**

9 Sec. 801. Funding appropriated in part 1 for consent decree
10 line items is appropriated into separate control accounts created
11 for each line item. Funding in each control account shall be
12 distributed as necessary into separate accounts created for the
13 purpose of separately identifying costs and expenditures associated
14 with each consent decree.

15 **HEALTH CARE**

16 Sec. 901. The department shall not expend funds appropriated
17 under part 1 for any surgery, procedure, or treatment to provide or
18 maintain a prisoner's sex change unless it is determined medically
19 necessary by the chief medical officer of the department.

20 Sec. 902. (1) As a condition of expenditure of the funds
21 appropriated in part 1, the department shall report to the senate
22 and house appropriations subcommittees on corrections on January 1,
23 2007 and July 1, 2007 the status of payments from contractors to
24 vendors for health care services provided to prisoners, as well as
25 the status of the contracts, and an assessment of prisoner health

1 care quality.

2 (2) It is the intent of the legislature that, in the interest
3 of providing the most efficient and cost-effective delivery of
4 health care, local health care providers shall be considered and
5 given the opportunity to competitively bid as vendors under future
6 managed care contracts.

7 Sec. 903. It is the intent of the legislature that, with the
8 funds appropriated in part 1 for hospital and specialty care
9 services, the department shall ensure that local providers of
10 ambulance services to prisoners be reimbursed within 60 days of the
11 filing of any uncontested claim for service.

12 Sec. 904. (1) The department shall identify and manage
13 prisoners who abuse the availability of medical services by
14 obtaining transportation to off-site medical care when unnecessary
15 or reasonably avoidable. In doing this, the department shall, when
16 appropriate, consult with off-site medical facilities on how to
17 accomplish this goal.

18 (2) By April 1, 2007, the department shall report to the
19 senate and house appropriations subcommittees on corrections, the
20 senate and house fiscal agencies, and the state budget director on
21 its activities and progress in implementing this section.

22 Sec. 905. The bureau of health care services shall develop
23 information on Hepatitis C prevention and the risks associated with
24 exposure to Hepatitis C, and the health care providers shall
25 disseminate this information verbally and in writing to each
26 prisoner at the health screening and full health appraisal
27 conducted at admissions, at the annual health care screening 1 week

1 before or after a prisoner's birthday, and prior to release to the
2 community by parole, transfer to community residential placement,
3 or discharge on the maximum.

4 Sec. 906. From the funds appropriated in part 1, the
5 department shall offer an alanine aminotransferase (ALT) test to
6 each prisoner who has received positive parole action. An
7 explanation of results of the test shall be provided confidentially
8 to the prisoner prior to release on parole, and if appropriate
9 based on the test results, the prisoner shall also be provided a
10 recommendation to seek follow-up medical attention in the
11 community. The test shall be voluntary; if the prisoner refuses to
12 be tested, that decision shall not affect parole release,
13 conditions of parole, or parole supervision.

14 Sec. 907. The department shall ensure that all medications for
15 a prisoner be transported with that prisoner when the prisoner is
16 transferred from 1 correctional facility to another.

17 Sec. 908. There are sufficient funds and FTEs appropriated in
18 part 1 to provide a full complement of nurses for clinical
19 complexes working regular pay hours, and it is the intent of the
20 legislature that sufficient nurses be hired or retained to limit
21 the use of overtime other-than-holiday pay.

22 Sec. 909. The department, in conjunction with efforts to
23 implement the MPRI, shall cooperate with the department of
24 community health to begin the process of data and information
25 sharing as it relates to prisoners being released and Hepatitis C.
26 By April 1, 2007, the department shall report to the senate and
27 house appropriations subcommittees on corrections, the senate and

1 house fiscal agencies, and the state budget director on the results
2 of its work with the department of community health under this
3 section.

4 **INSTITUTIONAL OPERATIONS**

5 Sec. 1001. As a condition of expenditure of the funds
6 appropriated in part 1, the department shall ensure that smoking
7 areas are designated for use by prisoners and staff at each
8 facility except those areas which house prisoners with special
9 medical needs.

10 Sec. 1002. From the funds appropriated in part 1, the
11 department shall allocate sufficient funds to develop a pilot
12 children's visitation program. The pilot program shall teach
13 parenting skills and arrange for day visitation at these facilities
14 for parents and their children, except for the families of
15 prisoners convicted of a crime involving criminal sexual conduct in
16 which the victim was less than 18 years of age or involving child
17 abuse.

18 Sec. 1003. The department shall prohibit prisoners access to
19 or use of the Internet or any similar system.

20 Sec. 1004. Any department employee who, in the course of his
21 or her job, is determined by a physician to have had a potential
22 exposure to the Hepatitis B virus, shall receive a Hepatitis B
23 vaccination upon request.

24 Sec. 1005. (1) The inmate housing fund shall be used for the
25 custody, treatment, clinical, and administrative costs associated
26 with the housing of prisoners other than those specifically

1 budgeted for elsewhere in this article. Funding in the inmate
2 housing fund is appropriated into a separate control account.
3 Funding in the control account shall be distributed as necessary
4 into separate accounts created to separately identify costs for
5 specific purposes.

6 (2) Quarterly reports on all expenditures from the inmate
7 housing fund shall be submitted by the department to the state
8 budget director, the senate and house appropriations subcommittees
9 on corrections, and the senate and house fiscal agencies.

10 Sec. 1006. The department shall establish a uniform rate to be
11 paid by agencies that benefit from public work services provided by
12 special alternative incarceration participants and prisoners.

13 Sec. 1007. (1) By April 1, 2007, the department shall report
14 to the senate and house appropriations subcommittees on
15 corrections, the senate and house fiscal agencies, and the state
16 budget director on academic/vocational programs for the most
17 recently completed appropriation year. The report shall provide
18 information relevant to an assessment of the department's academic
19 and vocational programs, including, but not limited to, the
20 following:

21 (a) The number of prisoners enrolled in each program, the
22 number of prisoners completing each program, and the number of
23 prisoners on waiting lists for each program.

24 (b) The steps the department has undertaken to improve
25 programs and reduce waiting lists.

26 (c) An explanation of the value and purpose of each program,
27 e.g., to improve employability, reduce recidivism, reduce prisoner

1 idleness, or some combination of these and other factors.

2 (d) An identification of program outcomes for each academic
3 and vocational program.

4 (e) An explanation of the department's plans for academic and
5 vocational programs.

6 (2) By April 1, 2007, the department shall report to the
7 senate and house appropriations subcommittees on corrections, the
8 senate and house fiscal agencies, and the state budget director on
9 the status of the department's response to the August 2005
10 performance audit of the prisoner education program by the office
11 of the auditor general. The report shall include the department's
12 status of compliance with each of the following findings:

13 (a) Finding 1: general educational development program
14 coordination and best practices.

15 (b) Finding 2: prisoner education files.

16 (c) Finding 3: performance indicators.

17 (d) Finding 4: pre-release programs.

18 (e) Finding 5: prisoner education policies and procedures.

19 (f) Finding 6: use of educational program resources.

20 (g) Finding 7: maximization of federal funding.

21 Sec. 1008. (1) By February 1, 2007, the department shall
22 report to the senate and house appropriations subcommittees on
23 corrections, the senate and house fiscal agencies, and the state
24 budget director, the percent of offenders included in the prison
25 population intake for fiscal years 2004-2005 and 2005-2006 who have
26 a high school diploma or a general educational development (G.E.D.)
27 certificate.

1 (2) By February 1, 2007, the department shall provide the
2 senate and house appropriations subcommittees on corrections, the
3 senate and house fiscal agencies, and the state budget director
4 with statistical reports on the efficacy of both department-
5 provided prison general education and vocational education programs
6 in reducing offender recidivism rates. At a minimum, the report
7 should compare the recidivism rates of the following groups of
8 offenders:

9 (a) Offenders who completed a G.E.D. while in prison and
10 participated in the MPRI.

11 (b) Offenders who completed a G.E.D. while in prison but did
12 not participate in the MPRI.

13 (c) Offenders who completed a vocational education program
14 while in prison and participated in the MPRI.

15 (d) Offenders who completed a vocational education program
16 while in prison but did not participate in the MPRI.

17 Sec. 1009. As a condition of expending funds appropriated for
18 academic/vocational programs under section 108 of this article, the
19 department shall by January 31, 2007 provide a plan to increase
20 certification rates among prisoners enrolled in general educational
21 development (G.E.D.) programs at correctional facilities to the
22 members of the senate and house appropriations committees, the
23 senate and house fiscal agencies, and the state budget director.
24 The plan shall include detailed information on certification rates
25 for the most recent 5-year period, a comparison with prisoner
26 certification rates in other states and a national average, and
27 details on how the department plans to improve certification rates.

House Bill No. 5796 (H-2) as amended May 24, 2006 (1 of 2)

1 Sec. 1010. The department shall allow the Michigan Braille
2 transcribing fund program to operate at its current location. The
3 donation of the building by the Michigan Braille transcribing fund
4 at the G. Robert Cotton correctional facility in Jackson is
5 acknowledged and appreciated. The department shall continue to
6 encourage the Michigan Braille transcribing fund to produce high
7 quality materials for use by the visually impaired.

8 Sec. 1011. (1) From the appropriations in part 1, the
9 department shall ensure that all prisoner activities shall include
10 the presence of a sufficient number of correctional officers needed
11 to maintain the safety and security of the institution.

12 (2) By February 1, 2007, the department shall report to the
13 senate and house appropriations subcommittees on corrections, the
14 senate and house fiscal agencies, and the state budget director the
15 number of critical incidents occurring each month by type and the
16 number and severity of assaults occurring each month at each
17 facility during calendar year 2006.

18 Sec. 1012. The department is prohibited from spending any
19 funds for the reopening or operation of any previously closed
20 prison facility or for expanding the capacity of any existing
21 prison facility, unless and until the department utilizes existing
22 vacant prison beds at the Michigan youth correctional facility
23 located in Webber Township, Lake County.

 [Sec. 1013. (1) Except as provided by subsection (2), the
 department shall impose a 35% surcharge on all items purchased by
 prisoners in state facilities. The 35% surcharge shall be separate from
 and in addition to any other surcharge or mark-up imposed on goods
 purchased by prisoners before the effective date of this section; the
 department may continue to mark up items as necessary to meet costs,
 fulfill the assumptions of part 1 of this article regarding resident
 store revenue, and support prisoner benefit funds at the same level that
 existed prior to the effective date of this section. The department
 shall increase the maximum amount, if any, of money or scrip that
 prisoners are allowed to spend, in accordance with this section.

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(2) The following items shall be exempt from the 35% surcharge imposed by this section:

- (a) Mandatory health care products.
- (b) Over-the-counter personal care products.
- (c) Hygiene products.
- (d) Stationery.
- (e) Cosmetics.

(3) The department shall remit the total of the surcharges imposed under this section quarterly to the state treasurer for deposit in the trooper recruit school fund created under section 819b of the Michigan vehicle code, 1949 PA 300, MCL 257.819b. Funds generated under this section for the trooper recruit school fund may be appropriated only for training new state police trooper recruits and may not be appropriated for any other purpose.]

24

ARTICLE 5

25

EDUCATION

26

PART 1

1 LINE-ITEM APPROPRIATIONS

2 Sec. 101. Subject to the conditions set forth in this article,
3 the amounts listed in this part are appropriated for the department
4 of education for the fiscal year ending September 30, 2007, from
5 the funds indicated in this part. The following is a summary of the
6 appropriations in this part:

7 **DEPARTMENT OF EDUCATION**

8 APPROPRIATION SUMMARY:

9	Full-time equated unclassified positions.....	6.0	
10	Full-time equated classified positions.....	428.5	
11	GROSS APPROPRIATION.....	\$	92,465,100
12	Interdepartmental grant revenues:		
13	Total interdepartmental grants and intradepartmental		
14	transfers		0
15	ADJUSTED GROSS APPROPRIATION.....	\$	92,465,100
16	Federal revenues:		
17	Total federal revenues.....		67,570,600
18	Special revenue funds:		
19	Local cost sharing (schools for blind/deaf)		5,687,000
20	Local school district service fees		298,600
21	Total local revenues.....		5,985,600
22	Gifts, bequests, and donations.....		505,200
23	Private foundations.....		2,409,200
24	Total private revenues.....		2,914,400
25	Total local and private revenues.....		8,900,000
26	Certification fees.....		4,660,000

1	Commodity distribution fees.....		70,000
2	Lansing, Michigan school for the blind rent.....		1,811,100
3	Student insurance revenues.....		218,600
4	Teacher testing fees.....		317,300
5	Tenant rent.....		150,000
6	Training and orientation workshop fees.....		100,000
7	Total other state restricted revenues.....		7,327,000
8	State general fund/general purpose.....	\$	8,667,500
9	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE		
10	SUPERINTENDENT (KIDS SUCCEEDING)		
11	Full-time equated unclassified positions.....	6.0	
12	Full-time equated classified positions.....	16.0	
13	State board of education, per diem payments.....	\$	24,400
14	Unclassified positions--6.0 FTE positions.....		515,600
15	State board/superintendent operations--16.0 FTE		
16	positions		<u>3,015,600</u>
17	GROSS APPROPRIATION.....	\$	3,555,600
18	Appropriated from:		
19	Federal revenues:		
20	Federal revenues.....		1,850,300
21	Special revenue funds:		
22	Certification fees.....		187,300
23	Private foundations.....		25,000
24	State general fund/general purpose.....	\$	1,493,000
25	Sec. 103. CENTRAL SUPPORT (KIDS SUCCEEDING)		
26	Full-time equated classified positions.....	27.0	
27	Central support--27.0 FTE positions.....	\$	3,541,000

1	Education commission of the states.....	50,000
2	Worker's compensation.....	50,000
3	Building occupancy charges - property management	
4	services	1,471,900
5	Training and orientation workshops.....	100,000
6	Terminal leave payments.....	575,400
7	Tenant rent.....	150,000
8	Human resources optimization user charges.....	<u>23,300</u>
9	GROSS APPROPRIATION.....	\$ 5,961,600
10	Appropriated from:	
11	Federal revenues:	
12	Federal revenues.....	3,632,100
13	Special revenue funds:	
14	Certification fees.....	348,600
15	Local cost sharing (schools for blind/deaf)	68,400
16	Teacher testing fees.....	14,500
17	Tenant rent.....	150,000
18	Training and orientation workshop fees.....	100,000
19	State general fund/general purpose.....	\$ 1,648,000
20	Sec. 104. INFORMATION TECHNOLOGY SERVICES (KIDS	
21	SUCCEEDING)	
22	Information technology operations.....	\$ <u>2,614,700</u>
23	GROSS APPROPRIATION.....	\$ 2,614,700
24	Appropriated from:	
25	Federal revenues:	
26	Federal revenues.....	1,531,500
27	Special revenue funds:	

1	Certification fees.....		204,400
2	Local cost sharing (schools for blind/deaf)		101,800
3	State general fund/general purpose	\$	777,000
4	Sec. 105. SPECIAL EDUCATION SERVICES (KIDS		
5	SUCCEEDING)		
6	Full-time equated classified positions.....	52.0	
7	Special education operations--52.0 FTE positions	\$	<u>11,408,700</u>
8	GROSS APPROPRIATION.....	\$	11,408,700
9	Appropriated from:		
10	Federal revenues:		
11	Federal revenues.....		11,049,200
12	Special revenue funds:		
13	Certification fees.....		38,000
14	Private foundations.....		103,500
15	State general fund/general purpose	\$	218,000
16	Sec. 106. LANSING, MICHIGAN SCHOOL FOR THE BLIND		
17	FORMER SITE (EFFECTIVE GOVERNMENT)		
18	General services.....	\$	<u>1,821,100</u>
19	GROSS APPROPRIATION.....	\$	1,821,100
20	Appropriated from:		
21	Special revenue funds:		
22	Lansing, Michigan school for the blind rent		1,811,100
23	Gifts, bequests, and donations.....		10,000
24	State general fund/general purpose	\$	0
25	Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND		
26	(KIDS SUCCEEDING)		
27	Full-time equated classified positions.....	96.0	

1	Michigan schools for the deaf and blind operations--		
2	95.0 FTE positions	\$	11,413,800
3	Summer institute.....		90,000
4	Camp Tuhsmeheeta--1.0 FTE position.....		250,100
5	Private gifts - blind.....		90,000
6	Private gifts - deaf.....		<u>50,000</u>
7	GROSS APPROPRIATION.....	\$	11,893,900
8	Appropriated from:		
9	Federal revenues:		
10	Federal revenues.....		5,375,400
11	Special revenue funds:		
12	Local cost sharing (schools for blind/deaf)		5,516,800
13	Local school district service fees.....		287,900
14	Gifts, bequests, and donations.....		495,200
15	Student insurance revenue.....		218,600
16	State general fund/general purpose.....	\$	0
17	Sec. 108. PROFESSIONAL PREPARATION SERVICES (KIDS		
18	SUCCEEDING)		
19	Full-time equated classified positions..... 31.0		
20	Professional preparation operations--31.0 FTE		
21	positions	\$	5,626,800
22	Department of attorney general.....		50,000
23	National board certification.....		<u>100,000</u>
24	GROSS APPROPRIATION.....	\$	5,776,800
25	Appropriated from:		
26	Federal revenues:		
27	Federal revenues.....		2,687,300

1	Special revenue funds:		
2	Certification fees.....		2,786,700
3	Teacher testing fees.....		302,800
4	State general fund/general purpose.....	\$	0
5	Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY		
6	SERVICES (KIDS SUCCEEDING)		
7	Full-time equated classified positions.....	24.0	
8	Early childhood education and family services		
9	operations--24.0 FTE positions.....	\$	<u>4,372,200</u>
10	GROSS APPROPRIATION.....	\$	4,372,200
11	Appropriated from:		
12	Federal revenues:		
13	Federal revenues.....		3,186,800
14	Special revenue funds:		
15	Certification fees.....		57,400
16	Private foundations.....		187,700
17	State general fund/general purpose.....	\$	940,300
18	Sec. 110. SCHOOL IMPROVEMENT SERVICES (KIDS		
19	SUCCEEDING)		
20	Full-time equated classified positions.....	74.0	
21	School improvement operations--74.0 FTE positions....	\$	16,677,100
22	Middle school math administration.....		250,000
23	Subject area content expectations and guidelines.....		250,000
24	Web-based practice assessments.....		<u>1,500,000</u>
25	GROSS APPROPRIATION.....	\$	18,677,100
26	Appropriated from:		
27	Federal revenues:		

1	Federal revenues.....		14,884,600
2	Special revenue funds:		
3	Certification fees.....		524,100
4	Private foundations.....		1,093,000
5	State general fund/general purpose.....	\$	2,175,400
6	Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES		
7	(KIDS SUCCEEDING)		
8	Full-time equated classified positions.....	21.0	
9	School finance and school law operations--21.0 FTE		
10	positions	\$	<u>2,891,400</u>
11	GROSS APPROPRIATION.....	\$	2,891,400
12	Appropriated from:		
13	Federal revenues:		
14	Federal revenues.....		1,385,800
15	Special revenue funds:		
16	Certification fees.....		513,500
17	State general fund/general purpose.....	\$	992,100
18	Sec. 112. EDUCATION ASSESSMENT AND ACCOUNTABILITY		
19	(KIDS SUCCEEDING)		
20	Full-time equated classified positions.....	28.0	
21	Educational assessment operations--28.0 FTE positions	\$	<u>12,328,800</u>
22	GROSS APPROPRIATION.....	\$	12,328,800
23	Appropriated from:		
24	Federal revenues:		
25	Federal revenues.....		12,328,800
26	Special revenue funds:		
27	State general fund/general purpose.....	\$	0

Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT

SERVICES (KIDS SUCCEEDING)

Full-time equated classified positions..... 59.5

Grants administration and school support services

operations--59.5 FTE positions.....	\$	8,163,200
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Federal and private grants.....	3,000,000
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GROSS APPROPRIATION.....	\$	11,163,200
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Appropriated from:

Federal revenues:

Federal revenues	9,658,800
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Special revenue funds:

Commodity distribution fees.....	70,000
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Local school district service fees	10,700
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Private foundations.....	1,000,000
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State general fund/general purpose	\$	423,700
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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 2006-2007 is \$15,994,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is estimated at \$0.

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

1 to 18.1594.

2 Sec. 203. As used in this article:

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

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

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

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

14 Sec. 205. Unless otherwise specified, the department shall use
15 the Internet to fulfill the reporting requirements of this article.
16 This requirement may include transmission of reports via electronic
17 mail to the recipients identified for each reporting requirement,
18 or it may include placement of reports on an Internet or Intranet
19 site.

20 Sec. 206. The department shall provide the state budget
21 director and the senate and house fiscal agencies with copies of
22 the state board of education agenda and all supporting documents at
23 the time the agenda and supporting documents are provided to state
24 board of education members.

25 Sec. 207. (1) Upon receipt of the federal drug-free grant, the
26 department shall allocate \$225,000.00 of the grant to the safe
27 school program within the department. The safe school program shall

1 work with local school boards, parents of enrolled students, law
2 enforcement agencies, community leaders, and the office of drug
3 control policy for the prevention of school violence. The safe
4 school program shall develop and implement, and serve as
5 coordinator of, a statewide clearinghouse for information, program
6 development, model programs and policies, and technical assistance
7 on school violence prevention.

8 (2) To accomplish its functions under this section, the safe
9 school program shall do all of the following:

10 (a) Coordinate with the office of drug control policy in the
11 department of community health to ensure that there is a meaningful
12 linkage between the efforts under this article to provide safe
13 schools and the initiatives undertaken through that office,
14 including, but not limited to, school districts' safe and drug-free
15 school plans, and to facilitate timely applications for and
16 distribution of available grant money.

17 (b) Provide through the Internet the availability to and
18 information regarding the state model policy on locker searches,
19 the state model policy on firearm safety and awareness, and any
20 other state or local safety policies that the office considers
21 exemplary.

22 (c) Advance, promote, and encourage the awareness and use of
23 the state police antiviolence hotline.

24 Sec. 208. The department shall require all public school
25 districts to maintain complete records within the personnel file of
26 a teacher or school employee of any disciplinary actions taken by
27 the local school board against the teacher or employee for sexual

1 misconduct. The records shall not be destroyed or removed from the
2 teacher's or employee's personnel file except as required by a
3 court order.

4 Sec. 209. From the funds appropriated in part 1 for
5 information technology, departments and agencies shall pay user
6 fees to the department of information technology for technology-
7 related services and projects. Such user fees shall be subject to
8 provisions of an interagency agreement between the departments and
9 agencies and the department of information technology.

10 Sec. 210. Amounts appropriated in part 1 for information
11 technology may be designated as work projects and carried forward
12 to support technology projects under the direction of the
13 department of information technology. Funds designated in this
14 manner are not available for expenditure until approved as work
15 projects under section 451a of the management and budget act, 1984
16 PA 431, MCL 18.1451a.

17 Sec. 211. Before publishing a list of schools or districts
18 determined to have failed to make adequate yearly progress as
19 required by the federal no child left behind act of 2001, Public
20 Law 107-110, 115 Stat. 1425, the department shall allow a school or
21 district to appeal that determination. The department shall
22 consider and act upon the appeal within 30 days after it is
23 submitted and shall not publish the list until after all appeals
24 have been considered and decided.

25 Sec. 212. Funds appropriated in part 1 shall not be used for
26 the purchase of foreign goods or services, or both, if
27 competitively priced and comparable quality American goods or

1 services, or both, are available. Preference should be given to
2 goods or services, or both, manufactured or provided by Michigan
3 businesses if they are competitively priced and of comparable
4 quality.

5 Sec. 213. (1) A hiring freeze is imposed on the state
6 classified civil service. State departments and agencies are
7 prohibited from hiring any new full-time state classified civil
8 service employees and prohibited from filling any vacant state
9 classified civil service positions. This hiring freeze does not
10 apply to internal transfers of classified employees from 1 position
11 to another within a department.

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

23 Sec. 214. (1) Due to the current budgetary problems in this
24 state, out-of-state travel for the fiscal year ending September 30,
25 2007 shall be limited to situations in which 1 or more of the
26 following conditions apply:

27 (a) The travel is required by legal mandate or court order or

1 for law enforcement purposes.

2 (b) The travel is necessary to protect the health or safety of
3 Michigan citizens or visitors or to assist other states in similar
4 circumstances.

5 (c) The travel is necessary to produce budgetary savings or to
6 increase state revenues, including protecting existing federal
7 funds or securing additional federal funds.

8 (d) The travel is necessary to comply with federal
9 requirements.

10 (e) The travel is necessary to secure specialized training for
11 staff that is not available within this state.

12 (f) The travel is financed entirely by federal or nonstate
13 funds.

14 (2) If out-of-state travel is necessary but does not meet 1 or
15 more of the conditions in subsection (1), the state budget director
16 may grant an exception to allow the travel. Any exceptions granted
17 by the state budget director shall be reported on a monthly basis
18 to the house and senate appropriations committees.

19 (3) Not later than January 1 of each year, each department
20 shall prepare a travel report listing all travel by classified and
21 unclassified employees outside this state in the immediately
22 preceding fiscal year that was funded in whole or in part with
23 funds appropriated in the department's budget. The report shall be
24 submitted to the chairs and members of the house and senate
25 appropriations committees, the fiscal agencies, and the state
26 budget director. The report shall include the following
27 information:

1 (a) The name of each person receiving reimbursement for travel
2 outside this state or whose travel costs were paid by this state.

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

5 (d) A brief statement of the reason for each travel
6 occurrence.

7 (e) The transportation and related costs of each travel
8 occurrence, including the proportion funded with state general
9 fund/general purpose revenues, the proportion funded with state
10 restricted revenues, the proportion funded with federal revenues,
11 and the proportion funded with other revenues.

12 (f) A total of all out-of-state travel funded for the
13 immediately preceding fiscal year.

14 Sec. 215. The department shall not take disciplinary action
15 against an employee for communicating with a member of the
16 legislature or his or her staff.

17 Sec. 216. The director shall take all reasonable steps to
18 ensure businesses in deprived and depressed communities compete for
19 and perform contracts to provide services or supplies, or both.
20 Each director shall strongly encourage firms with which the
21 department contracts to subcontract with certified businesses in
22 depressed and deprived communities for services, supplies, or both.

23 Sec. 217. The department shall pay within 60 days of
24 submission the full amount of any bills submitted by the auditor
25 general for all costs incurred by the auditor general while
26 conducting audits of federally funded programs. The department
27 shall expend federal funds allowable under federal law to satisfy

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any charges billed by the auditor general.

Sec. 218. The department is encouraged to provide information to districts and intermediate districts regarding the benefits and use of automated external defibrillators. Pursuant to section 99c of the state school aid act of 1979, 1979 PA 94, MCL 388.1699c, the department should work with districts receiving funds under that section to secure a bulk-purchase discount from 1 or more manufacturers of automated external defibrillators.

Sec. 219. By October 15, 2006, the department shall provide to the senate and house appropriations subcommittees on K-12 school aid/department of education and the senate and house fiscal agencies a list of general fund/general purpose budget cuts sufficient to reduce department general funds/general purpose spending by 7.93% in fiscal year 2006-2007 if the K-16 ballot initiative is adopted by the voters of the state.

Sec. 220. The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner.

[Sec. 221. The department, in collaboration with the Michigan commission on law enforcement standards, shall contract for a statewide standardized crisis management system that provides first responders and emergency managers with fact-based information when responding to emergencies at public schools.]

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

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

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

1 (2) A state board of education member shall not be paid a per
2 diem for more than 30 days per year.

3 (3) The state board executive shall report to the public, the
4 senate and house fiscal agencies, and the state budget director the
5 previous quarter's expenses by fund source for members of the state
6 board of education.

7 Sec. 302. From the amount appropriated in part 1 to the state
8 board of education, not more than \$35,000.00 shall be expended for
9 in-state travel and out-of-state travel directly related to the
10 duties of the state board of education.

11 Sec. 303. From the amount appropriated in part 1 to state
12 board/superintendent operations, not more than \$200,000.00 shall be
13 expended for a study by the state board of education to advise the
14 legislature and the governor of local, state, and national best
15 practices in education. The study is to review best practices at
16 all levels of the public education process that encourage effective
17 and efficient organization of schools and support improvement in
18 academic achievement. The study should focus on the delivery of
19 public school programs through school organization and services.
20 The study also should address the current needs in middle school
21 math with respect to meeting the Michigan merit standard graduation
22 requirements. The study may also recommend best practices for
23 financial turnaround methods for urban, suburban, and rural school
24 districts facing deficits.

25 **MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

26 Sec. 401. The employees at the Michigan schools for the deaf

1 and blind who work on a school year basis shall be considered
2 annual employees for purposes of service credits, retirement, and
3 insurance benefits.

4 Sec. 402. For each student enrolled at the Michigan schools
5 for the deaf and blind, the department shall assess the
6 intermediate school district of residence 100% of the cost of
7 operating the student's instructional program. The amount shall
8 exclude room and board related costs and the cost of weekend
9 transportation between the school and the student's home.

10 Sec. 403. (1) The department may assess rent to any state
11 agency for the use of any facility at the Michigan school for the
12 blind's former site in Lansing. The rental rates and all leasing
13 arrangements shall be subject to the approval of the department of
14 management and budget.

15 (2) In addition to those funds appropriated in part 1, the
16 department may receive and expend additional funds from lease
17 agreements at the Michigan school for the blind's former site in
18 Lansing that have been negotiated with the approval of the
19 department of management and budget. These funds are appropriated
20 to the department for operation, maintenance, and renovation
21 expenses associated with the leased space designated in the
22 tenant's lease agreement.

23 (3) Security guards or other patrols at the Michigan school
24 for the blind's former site shall not be funded through part 1
25 funds appropriated for the Michigan schools for the deaf and blind.

26 (4) If the department leases real property to a person or
27 organization that is not a department of state government, the

1 department shall not expend funds in excess of the lease revenue
2 received to replace, renovate, or repair that real property. This
3 section shall not apply to emergency repairs or costs associated
4 with technological renovations.

5 (5) The department shall not lease real property for less than
6 fair market value.

7 (6) From the unexpended balances of appropriations for the
8 former school for the blind site in Lansing, up to \$100,000.00 of
9 any unexpended and unencumbered funds remaining on September 30,
10 2007 may be carried forward as a work project and expended for
11 special maintenance and repairs of facilities at the former
12 Michigan school for the blind site in Lansing. The work project
13 shall be performed by state employees or by contract when necessary
14 at an estimated cost of \$100,000.00. The estimated completion date
15 of the work project is September 30, 2008.

16 Sec. 404. (1) The department may assess rent or lease excess
17 property located on the campus of the Michigan schools for the deaf
18 and blind in Flint to private or publicly funded organizations.

19 (2) In addition to those funds appropriated in part 1, the
20 department may receive and expend additional funds from lease
21 agreements at the Michigan schools for the deaf and blind Flint
22 campus that have been negotiated with the approval of the
23 department of management and budget. These funds are appropriated
24 to the department for the operation, maintenance, and renovation
25 expenses associated with the leased space.

26 (3) From the unexpended balances of appropriations for the
27 schools for the deaf and blind operations, up to \$250,000.00 of any

1 unexpended and unencumbered funds remaining on September 30, 2007
2 may be carried forward as a work project and expended for special
3 maintenance and repairs of facilities at the campus of the Michigan
4 schools for the deaf and blind in Flint. The work shall be carried
5 out by state employees, or by contract as necessary, at an
6 estimated cost of \$250,000.00. The estimated completion date of the
7 work is September 30, 2008.

8 Sec. 405. The department may assist the department of
9 community health, other departments, and local school districts to
10 secure reimbursement for eligible services provided in Michigan
11 schools from the federal Medicaid program. The department may
12 submit reports of direct expenses related to this effort to the
13 department of community health for reimbursement.

14 Sec. 406. (1) The Michigan schools for the deaf and blind may
15 promote its residential program as a possible appropriate option
16 for children who are deaf or hard of hearing or who are blind or
17 visually impaired. The Michigan schools for the deaf and blind
18 shall distribute information detailing its services to all
19 intermediate school districts in the state.

20 (2) Upon knowledge of or recognition by an intermediate school
21 district that a child in the district is deaf or hard of hearing or
22 blind or visually impaired, the intermediate school district shall
23 provide to the parents of the child the literature distributed by
24 the Michigan schools for the deaf and blind to intermediate school
25 districts under subsection (1).

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

PROFESSIONAL PREPARATION SERVICES

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 505. From the funds appropriated in part 1 for national board certification, the department shall pay 1/2 of the application fee for teachers who are considered by the department to be qualified to apply to the national board for professional teaching standards for professional teaching certificates or licenses and to provide grants to recognize and reward teachers who receive certification or licensure.

OFFICE OF SCHOOL IMPROVEMENT

Sec. 601. From the amount appropriated in part 1 for the office of school improvement, there is allocated \$350,000.00 and 3.5 FTE positions to operate a charter school office to administer charter school legislation and associated regulations, and to

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1 coordinate the activities of the department relating to charter
2 schools.

3 Sec. 602. From the funds appropriated in part 1 for middle
4 school math administration, the department shall administer and
5 monitor the middle school mathematics initiative authorized under
6 sections 99b and 99c of the state school aid act, 1979 PA 94, MCL
7 388.1699b and 388.1699c.

8 Sec. 603. The funds appropriated in part 1 for subject area
9 content expectations and guidelines shall be used for the
10 development, approval, and implementation of subject area content
11 expectations and guidelines that apply to the credit requirements
12 of the Michigan merit standard, as required under section 1278b of
13 the revised school code, 1976 PA 451, MCL 380.1278b. The subject
14 area content expectations for science shall include the use of the
15 scientific method to critically evaluate scientific theories
16 included in those content expectations and the use of relevant
17 scientific data to assess the validity of those theories. [The subject
18 area content expectations for social studies shall not prohibit or
discourage the use of the word 'American' in referring to a citizen of
the United States.]

19 Sec. 604. From the funds appropriated in part 1 for web-based
20 practice assessments, by no later than January 1, 2007, the
21 department shall contract for a web-based practice assessment and
22 classroom remediation program that includes reading, mathematics,
23 social science, and science for pupils in grades 6, 7, and 8.
24 Priority shall be placed on providing practice assessments in
25 mathematics for all of the state's pupils in grades 6, 7, and 8 in
26 order to help prepare them for the Michigan merit standard
27 graduation requirements. To be eligible for funding under this
section, the program shall meet all of the following:

1 (a) Have the ability to register students online.

2 (b) Be accessible on the Internet.

3 (c) Provide test results immediately upon completion of the
4 test.

5 (d) Provide remedial services by linking to textbooks in the
6 classroom.

7 (e) Provide results that are reported to the district
8 superintendent, the school principal, parents, students, the
9 department, and the teaching institutions of this state and that
10 are tracked by student, classroom, school, and district.

11 **INFORMATION TECHNOLOGY**

12 Sec. 701. The department shall work in collaboration with the
13 center for educational performance and information to support the
14 comprehensive educational information system and all data
15 collection efforts of the department.

16 **EDUCATIONAL ASSESSMENT**

17 Sec. 801. (1) From the funds appropriated in part 1 for the
18 educational assessment operations, the department shall provide
19 tests to nonpublic schools and home-schooled students upon request.
20 The department shall notify nonpublic schools that they are
21 eligible to receive the tests.

22 (2) The results of each test administered as part of the
23 Michigan educational assessment program, including tests
24 administered to high school students, shall include an item
25 analysis that lists all items that are counted for individual

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student scores and the percentage of students choosing each possible response.

GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

Sec. 901. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

ARTICLE 6

ENVIRONMENTAL QUALITY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF ENVIRONMENTAL QUALITY

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 1,564.7

GROSS APPROPRIATION..... \$ [411,963,500]

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1	Interdepartmental grant revenues:	
2	IDG-MDCH local public health operations	10,472,500
3	IDG from MDOT - Michigan transportation fund	1,020,800
4	IDG from MSP	719,800
5	IDT, interdivisional charges	2,053,400
6	IDT, laboratory services	3,967,100
7	Total interdepartmental grants and intradepartmental	
8	transfers	18,233,600
9	ADJUSTED GROSS APPROPRIATION	\$ [393,729,900]
10	Federal revenues:	
11	DHS, federal	1,522,700
12	DOC-NOAA, federal	3,577,000
13	DOD, federal	1,091,800
14	DOI, federal	584,500
15	EPA, brownfield cleanup revolving loan fund	1,000,000
16	EPA, multiple	132,556,400
17	HHS, federal	6,100
18	Total federal revenues	140,338,500
19	Special revenue funds:	
20	Total local revenues	0
21	Private funds	450,000
22	Total private revenues	450,000
23	Total local and private revenues	450,000
24	Aboveground storage tank fees	733,700
25	Air emissions fees	12,197,800
26	Aquifer protection revolving fund	400,000
27	Campground fund	230,700

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1	Clean Michigan initiative fund - administration.....	1,111,700
2	Clean Michigan initiative fund - clean water fund....	[3,276,900]
3	Clean Michigan initiative fund - pollution prevention	
4	activities	[100,000]
5	[
6		
7]
8	Cleanup and redevelopment fund.....	11,192,300
9	Community pollution prevention fund.....	250,000
10	Environmental pollution prevention fund.....	1,965,700
11	Environmental protection fund.....	3,330,400
12	Environmental response fund.....	9,647,600
13	Fees and collections.....	533,400
14	Financial instruments.....	5,000,000
15	Great Lakes protection fund.....	2,563,200
16	Groundwater discharge permit fees.....	1,912,300
17	Hazardous material transportation permit fund.....	211,200
18	Laboratory data quality recognition fund.....	15,700
19	Land and water permit fees.....	2,364,800
20	Landfill maintenance trust fund.....	54,000
21	Medical waste emergency response fund.....	230,400
22	Metallic mining surveillance fee revenue.....	91,000
23	Mineral well regulatory fee revenue.....	238,000
24	Nonferrous metallic mineral surveillance.....	210,500
25	NPDES fees.....	3,238,300
26	Oil and gas regulatory fund.....	7,582,000
27	Orphan well fund.....	2,041,200

1	Public swimming pool fund.....	525,300
2	Public utility assessments.....	777,600
3	Public water supply fees.....	3,873,800
4	Publication revenue.....	116,400
5	Refined petroleum fund.....	30,272,100
6	Restricted funds.....	17,787,800
7	Retired engineers technical assistance fund.....	1,474,300
8	Revolving loan revenue bonds.....	11,400,000
9	Saginaw Bay and River restoration revenue.....	169,900
10	Sand extraction fee revenue.....	196,300
11	Scrap tire regulatory fund.....	5,797,400
12	Septage waste contingency fund.....	36,600
13	Septage waste program fund.....	1,835,800
14	Settlement funds.....	2,037,000
15	Sewage sludge land application fees.....	823,700
16	Soil erosion and sedimentation control training fund.	111,400
17	Solid waste program fees.....	4,322,000
18	Small business pollution prevention revolving loan	
19	fund	104,000
20	Stormwater permit fees.....	2,720,800
21	Strategic water quality initiatives fund.....	50,015,300
22	Underground storage tank fees.....	3,028,200
23	Waste reduction fee revenue.....	4,241,500
24	Wastewater operator training fees.....	168,100
25	Water analysis fees.....	3,214,100
26	Water pollution control revolving fund.....	2,982,400
27	Water quality protection fund.....	25,000

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1	Water use reporting fees.....	133,400
2	Total other state restricted revenues.....	[218,913,000]
3	State general fund/general purpose.....	\$ [34,028,400]
4	Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT	
5	SUPPORT (RESOURCE CONSERVATION)	
6	Full-time equated unclassified positions..... 6.0	
7	Full-time equated classified positions..... 81.0	
8	Unclassified salaries--6.0 FTE positions.....	\$ 482,600
9	Administrative hearings.....	422,600
10	Executive direction--9.0 FTE positions.....	2,171,600
11	Central operations--62.0 FTE positions.....	6,660,400
12	Office of the Great Lakes--7.0 FTE positions.....	973,700
13	Grant to Michigan legislative council--3.0 FTE	
14	positions	200,000
15	Automated data processing.....	2,053,400
16	Environmental support projects.....	5,000,000
17	Human resources optimization user charges.....	96,000
18	Building occupancy charges.....	7,910,000
19	Rent - privately owned property.....	<u>2,066,900</u>
20	GROSS APPROPRIATION.....	\$ 28,037,200
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDT, interdivisional charges.....	2,053,400
24	IDT, laboratory services.....	499,900
25	Federal revenues:	
26	DOI, federal.....	155,400
27	EPA, multiple.....	268,600

1	Special revenue funds:		
2	Financial instruments.....		5,000,000
3	Great Lakes protection fund.....		563,200
4	Restricted funds.....		13,476,900
5	Settlement funds.....		101,200
6	State general fund/general purpose.....	\$	5,918,600
7	Sec. 103. AIR QUALITY (RESOURCE CONSERVATION)		
8	Full-time equated classified positions.....	241.5	
9	Air quality programs--241.5 FTE positions.....	\$	<u>23,998,500</u>
10	GROSS APPROPRIATION.....	\$	23,998,500
11	Appropriated from:		
12	Federal revenues:		
13	EPA, multiple.....		5,758,900
14	Special revenue funds:		
15	Air emissions fees.....		11,459,100
16	Environmental response fund.....		102,400
17	Fees and collections.....		393,600
18	Oil and gas regulatory fund.....		103,600
19	Refined petroleum fund.....		2,747,500
20	State general fund/general purpose.....	\$	3,433,400
21	Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES		
22	DIVISION (RESOURCE CONSERVATION)		
23	Full-time equated classified positions.....	184.0	
24	Community outreach pilot program.....	\$	150,000
25	Laboratory services--68.0 FTE positions.....		6,609,600
26	Municipal assistance--35.5 FTE positions.....		5,227,800
27	Pollution prevention outreach programs.....		300,000

1	Pollution prevention and technical assistance--53.0	
2	FTE positions	5,110,800
3	Program services and grant management--27.5 FTE	
4	positions	3,352,700
5	Retired engineers technical assistance program	1,474,300
6	Revitalization revolving loan fund	<u>1,000,000</u>
7	GROSS APPROPRIATION	\$ 23,225,200
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDT, laboratory services	3,467,200
11	Federal revenues:	
12	EPA, brownfield cleanup revolving loan fund	1,000,000
13	DOC-NOAA, federal	343,600
14	EPA, multiple	3,344,000
15	Special revenue funds:	
16	Private funds	300,000
17	Air emissions fees	738,700
18	Clean Michigan initiative fund - administration	169,600
19	Environmental protection fund	216,600
20	Environmental response fund	644,800
21	Laboratory data quality recognition fund	15,700
22	Public water supply fees	244,200
23	Retired engineers technical assistance fund	1,474,300
24	Settlement revenue	227,400
25	Small business pollution prevention revolving loan	
26	fund	104,000
27	Stormwater permit fees	93,200

1	Strategic water quality initiatives fund.....		215,300
2	Waste reduction fee revenue.....		4,169,700
3	Wastewater operator training fees.....		168,100
4	Water analysis fees.....		3,214,100
5	Water pollution control revolving fund.....		2,333,100
6	State general fund/general purpose.....	\$	741,600
7	Sec. 105. OFFICE OF GEOLOGICAL SURVEY (RESOURCE		
8	CONSERVATION)		
9	Full-time equated classified positions.....	68.0	
10	Coal and sand dune management--3.0 FTE positions.....	\$	619,600
11	Metallic mining reclamation program--1.0 FTE position		91,000
12	Mineral wells management--3.0 FTE positions.....		238,000
13	Nonferrous metallic mining--2.0 FTE positions.....		210,500
14	Services to oil and gas programs--57.0 FTE positions.		7,243,500
15	Well plugging-orphan wells--2.0 FTE positions.....		<u>2,041,200</u>
16	GROSS APPROPRIATION.....	\$	10,443,800
17	Appropriated from:		
18	Federal revenues:		
19	DOI, federal.....		423,300
20	Special revenue funds:		
21	Metallic mining surveillance fee revenue.....		91,000
22	Mineral well regulatory fee revenue.....		238,000
23	Nonferrous metallic mineral surveillance.....		210,500
24	Oil and gas regulatory fund.....		7,127,100
25	Orphan well fund.....		2,041,200
26	Publication revenue.....		116,400
27	Sand extraction fee revenue.....		196,300

1	State general fund/general purpose	\$	0
2	Sec. 106. LAND AND WATER MANAGEMENT (RESOURCE		
3	CONSERVATION)		
4	Full-time equated classified positions.....	129.0	
5	Program direction--8.0 FTE positions	\$	904,500
6	Field permitting and project assistance--72.0 FTE		
7	positions		7,221,000
8	Great Lakes shorelands--28.0 FTE positions		2,559,000
9	Water management--21.0 FTE positions		<u>2,618,800</u>
10	GROSS APPROPRIATION.....	\$	13,303,300
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	IDG from MDOT - Michigan transportation fund.....		968,000
14	Federal revenues:		
15	DHS, federal.....		966,400
16	DOC-NOAA, federal.....		1,450,100
17	EPA, multiple.....		1,007,500
18	Special revenue funds:		
19	Environmental protection fund.....		1,613,800
20	Land and water permit fees.....		1,897,400
21	State general fund/general purpose	\$	5,400,100
22	Sec. 107. REMEDIATION AND REDEVELOPMENT (RESOURCE		
23	CONSERVATION)		
24	Full-time equated classified positions.....	297.5	
25	Federal cleanup project management--67.0 FTE positions	\$	8,139,700
26	Superfund cleanup.....		4,000,000
27	Contaminated site investigations, cleanup and		

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1	revitalization--230.5 FTE positions.....	22,471,700
2	Emergency cleanup action.....	4,000,000
3	Refined petroleum product cleanup program.....	20,100,000
4	[
5]
6	Environmental cleanup support.....	2,500,000
7	City of St. Louis water supply wells.....	300,000
8	Little Black Creek.....	35,000
9	City of St. Clair Shores - Lange/Revere canals	<u>500,000</u>
10	GROSS APPROPRIATION.....	\$ [62,046,400]
11	Appropriated from:	
12	Federal revenues:	
13	DOD, federal.....	1,081,900
14	EPA, multiple.....	8,403,500
15	HHS, federal.....	6,100
16	Special revenue funds:	
17	Private funds.....	150,000
18	Clean Michigan initiative fund - administration.....	351,600
19	[
20		
21]
22	Cleanup and redevelopment fund.....	11,192,300
23	Environmental protection fund.....	1,500,000
24	Environmental response fund.....	8,609,900
25	Landfill maintenance trust fund.....	54,000
26	Refined petroleum fund.....	26,600,700
27	Settlement funds.....	1,458,400

1	State general fund/general purpose.....	\$	2,638,000
2	Sec. 108. WASTE AND HAZARDOUS MATERIALS DIVISION		
3	(RESOURCE CONSERVATION, HEALTH)		
4	Full-time equated classified positions.....	183.5	
5	Hazardous waste management program--61.0 FTE positions	\$	6,249,200
6	Low-level radioactive waste authority--2.0 FTE		
7	positions		777,600
8	Medical waste program.....		230,400
9	Radiological protection--16.5 FTE positions		1,383,600
10	Scrap tire regulatory program--11.0 FTE positions		1,021,800
11	Solid waste management program--50.0 FTE positions ...		4,393,800
12	Underground storage tank program--35.0 FTE positions .		3,288,900
13	Aboveground storage tank program--8.0 FTE positions ..		<u>733,700</u>
14	GROSS APPROPRIATION.....	\$	18,079,000
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDG-MDSP.....		719,800
18	Federal revenues:		
19	EPA, multiple.....		3,875,800
20	Special revenue funds:		
21	Aboveground storage tank fees.....		733,700
22	Environmental pollution prevention fund.....		1,965,700
23	Hazardous material transportation permit fund.....		211,200
24	Medical waste emergency response fund.....		230,400
25	Public utility assessments.....		777,600
26	Scrap tire regulatory fund.....		1,021,800
27	Solid waste program fees.....		4,322,000

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1	Underground storage tank fees.....	3,028,200
2	Waste reduction fee revenue.....	71,800
3	State general fund/general purpose.....	\$ 1,121,000
4	Sec. 109. WATER DIVISION (RESOURCE CONSERVATION,	
5	HEALTH)	
6	Full-time equated classified positions.....	358.2
7	Drinking water and environmental health--114.2 FTE	
8	positions	\$ 15,858,100
9	Surface water--94.1 FTE positions.....	15,083,900
10	NPDES nonstormwater program--121.4 FTE positions.....	10,578,900
11	Groundwater discharge--22.0 FTE positions.....	2,048,300
12	Sewage sludge land application program--6.5 FTE	
13	positions	823,700
14	Aquifer protection program.....	350,000
15	Aquifer protection and dispute resolution - IDG to	
16	Michigan department of agriculture.....	50,000
17	[
18]
19	Fish contaminant monitoring contracts.....	<u>316,100</u>
20	GROSS APPROPRIATION.....	\$ [45,109,000]
21	Appropriated from:	
22	Federal revenues:	
23	EPA, multiple.....	19,030,200
24	Special revenue funds:	
25	Aquifer protection revolving fund.....	400,000
26	Campground fund.....	230,700
27	Clean Michigan initiative fund - administration.....	590,500

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1	Clean Michigan initiative fund - clean water fund....	[3,276,900]
2	[
3		
4]
5	Fees and collections.....	139,800
6	Groundwater discharge permit fees.....	1,912,300
7	Land and water permit fees.....	467,400
8	NPDES fees.....	3,238,300
9	Public swimming pool fund.....	525,300
10	Public water supply fees.....	2,229,600
11	Refined petroleum fund.....	840,200
12	Saginaw Bay and River restoration revenue.....	169,900
13	Septage waste contingency fund.....	36,600
14	Septage waste program fund.....	310,800
15	Sewage sludge land application fees.....	823,700
16	Soil erosion and sedimentation control training fund.	111,400
17	Stormwater permit fees.....	2,627,600
18	Water pollution control revolving fund.....	649,300
19	Water use reporting fees.....	133,400
20	State general fund/general purpose.....	\$ 7,202,700
21	Sec. 110. CRIMINAL INVESTIGATIONS (RESOURCE	
22	CONSERVATION)	
23	Full-time equated classified positions..... 22.0	
24	Environmental investigations--22.0 FTE positions.....	\$ <u>2,504,600</u>
25	GROSS APPROPRIATION.....	\$ 2,504,600
26	Appropriated from:	
27	Federal revenues:	

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1	DHS, federal.....	539,000
2	EPA, multiple.....	149,000
3	Special revenue funds:	
4	Environmental response fund.....	128,100
5	Oil and gas regulatory fund.....	351,300
6	Scrap tire regulatory fund.....	275,600
7	State general fund/general purpose.....	\$ 1,061,600
8	Sec. 111. GRANTS (RESOURCE CONSERVATION, HEALTH)	
9	Water pollution control and drinking water revolving	
10	funds	\$ 97,179,900
11	Noncommunity water grants.....	1,400,000
12	Grants to counties - air pollution.....	83,700
13	Coastal management grants.....	2,000,000
14	Federal - nonpoint source water pollution grants	6,500,000
15	Federal - Great Lakes remedial action plan grants	700,000
16	Great Lakes research and protection grants	2,000,000
17	Household hazardous waste collection program.....	100,000
18	Radon grants.....	90,000
19	Real-time water quality monitoring.....	250,000
20	Drinking water program grants.....	1,330,000
21	Local health department operations	10,472,500
22	[Muskegon County].....	200,000]
22	Pollution prevention local grants.....	250,000
23	Septage waste compliance grants.....	1,525,000
24	Scrap tire grants.....	4,500,000
25	Strategic water quality initiative loans.....	9,800,000
26	Strategic water quality initiative grants.....	40,000,000
27	Volunteer river, stream, and creek cleanup.....	<u>25,000</u>

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1	GROSS APPROPRIATION.....	\$	[178,406,100]
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG-MDCH, local public health operations		10,472,500
5	Federal revenues:		
6	DOC-NOAA, federal.....		1,700,000
7	EPA, multiple.....		88,920,000
8	Special revenue funds:		
9	Clean Michigan initiative fund - pollution prevention		
10	activities		100,000
11	Community pollution prevention fund.....		250,000
12	Great Lakes protection fund.....		2,000,000
13	Public water supply fees.....		1,400,000
14	Refined petroleum fund.....		83,700
15	Revolving loan revenue bonds.....		11,400,000
16	Scrap tire regulatory fund.....		4,500,000
17	Septage waste program fund.....		1,525,000
18	Settlement funds.....		250,000
19	Strategic water quality initiatives fund.....		49,800,000
20	Water quality protection fund.....		25,000
21	State general fund/general purpose	\$	[5,979,900]
22	Sec. 112. INFORMATION TECHNOLOGY (RESOURCE		
23	CONSERVATION)		
24	Information technology services and projects	\$	<u>6,810,400</u>
25	GROSS APPROPRIATION.....	\$	6,810,400
26	Appropriated from:		
27	Interdepartmental grant revenues:		

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1	IDG from MDOT - Michigan transportation fund.....	52,800
2	Federal revenues:	
3	DHS, federal.....	17,300
4	DOC-NOAA, federal.....	83,300
5	DOD, federal.....	9,900
6	DOI, federal.....	5,800
7	EPA, multiple.....	1,798,900
8	Special revenue funds:	
9	Restricted funds.....	4,310,900
10	State general fund/general purpose.....	\$ 531,500

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

14 Sec. 201. Pursuant to section 30 of article IX of the state
15 constitution of 1963, total state spending from state resources
16 under part 1 for fiscal year 2006-2007 is [\$252,941,400.00] and state
17 spending from state resources to be paid to local units of
18 government for fiscal year 2006-2007 is [\$5,650,000.00]. The itemized
19 statement below identifies appropriations from which spending to
20 local units of government will occur:

21 DEPARTMENT OF ENVIRONMENTAL QUALITY

22 GRANTS

23 [City of St. Clair Shores - Lange/Revere Canals.....	\$ 500,000]
City of St. Louis water supply wells.....	300,000
24 Household hazardous waste collection program.....	100,000
25 Noncommunity water grants.....	1,400,000

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1	Real-time water quality monitoring.....	250,000
2	Scrap tire grants.....	1,575,000
3	Septage waste compliance program.....	<u>1,525,000</u>
4	TOTAL..... \$	[5,650,000]

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

8 Sec. 203. As used in this article:

9 (a) "Department" means the department of environmental
10 quality.

11 (b) "DHHS" means the United States department of health and
12 human services.

13 (c) "DHS" means the United States department of homeland
14 security.

15 (d) "DOC" means the United States department of commerce.

16 (e) "DOC-NOAA" means the DOC national oceanic and atmospheric
17 administration.

18 (f) "DOD" means the United States department of defense.

19 (g) "DOI" means the United States department of interior.

20 (h) "EPA" means the United States environmental protection
21 agency.

22 (i) "FTE" means full-time equated.

23 (j) "IDG" means interdepartmental grant.

24 (k) "IDT" means intradepartmental transfer.

25 (l) "MDCH" means the Michigan department of community health.

26 (m) "MDSP" means the Michigan department of state police.

27 (n) "MI" means Michigan.

1 (o) "NPDES" means national pollutant discharge elimination
2 system.

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

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

15 (2) The state budget director shall grant exceptions to the
16 hiring freeze described in subsection (1) when the state budget
17 director believes that the hiring freeze will result in rendering a
18 state department or agency unable to deliver basic services, cause
19 a loss of revenue to the state, result in the inability of the
20 state to receive federal funds, or would necessitate additional
21 expenditures that exceed any savings from maintaining a vacancy.
22 The state budget director shall report quarterly to the
23 chairpersons of the senate and house of representatives standing
24 committees on appropriations the number of exceptions to the hiring
25 freeze approved during the previous quarter and the reasons to
26 justify the exception.

27 Sec. 206. The department shall use the Internet to fulfill the

1 reporting requirements of this article. This may include
2 transmission of reports via electronic mail to the recipients
3 identified for each reporting requirement or it may include
4 placement of reports on an Internet or Intranet site.

5 Sec. 207. The departments and state agencies receiving
6 appropriations under this article shall receive and retain copies
7 of all reports funded from appropriations in part 1. These
8 departments and state agencies shall follow federal and state
9 guidelines for short-term and long-term retention of these reports.
10 To the extent consistent with federal and state guidelines, the
11 requirements of this section are satisfied if the reports funded
12 from appropriations in part 1 are retained in electronic format.

13 Sec. 208. By February 15, 2007, the department shall provide
14 the state budget director, the subcommittees on environmental
15 quality of the senate and house appropriations committees, and the
16 senate and house fiscal agencies with an annual report on
17 restricted fund balances, projected revenues, and expenditures for
18 the fiscal years ending September 30, 2006 and September 30, 2007.

19 Sec. 209. (1) From funds appropriated under part 1, the
20 department shall prepare a report that lists all of the following
21 regarding grant or loan or grant and loan programs administered by
22 the department for the fiscal year ending September 30, 2007:

23 (a) The name of each program.

24 (b) The goals of the program, the criteria, eligibility,
25 process, filing fees, nominating procedures, and deadlines for each
26 program.

27 (c) The maximum and minimum grant and loan available and

1 whether there is a match requirement for each program.

2 (d) The amount of any required match, and whether in-kind
3 contributions may be used as part or all of a required match.

4 (e) Information pertaining to the application process,
5 timeline for each program, and the contact people within the
6 department.

7 (f) The source of funds for each program, including the
8 citation of pertinent authorizing acts.

9 (g) Information regarding plans for the next fiscal year for
10 the phaseout, expansion, or changes for each program.

11 (h) A listing of all recipients of grants or loans awarded by
12 the department by type and amount of grant or loan.

13 (2) The reports required under this section shall be submitted
14 to the state budget office, the senate and house appropriations
15 committees, and senate and house fiscal agencies by January 1,
16 2007.

17 Sec. 210. The department shall notify the legislature and
18 shall provide a public meeting and public comment opportunity with
19 respect to any request received by the state of Michigan to divert
20 water from the Great Lakes pursuant to the water resources
21 development act of 1986, Public Law 99-662, 100 Stat. 4082.

22 Sec. 211. (1) The department shall report all of the following
23 information relative to allocations made from appropriations for
24 the environmental cleanup and redevelopment program, state cleanup,
25 emergency actions, superfund cleanup, the revitalization revolving
26 loan program, the brownfield grants and loans program, the leaking
27 underground storage tank cleanup program, the contaminated lake and

1 river sediments cleanup program, the refined petroleum product
2 cleanup program, and the environmental protection bond projects
3 under section 19508(7) of the natural resources and environmental
4 protection act, 1994 PA 451, MCL 324.19508, to the state budget
5 director, the senate and house appropriations subcommittees on
6 environmental quality, and the senate and house fiscal agencies:

7 (a) The name and location of the site for which an allocation
8 is made.

9 (b) The nature of the problem encountered at the site.

10 (c) A brief description of how the problem will be resolved if
11 the allocation is made for a response activity.

12 (d) The estimated date that site closure activities will be
13 completed.

14 (e) The amount of the allocation, or the anticipated financing
15 for the site.

16 (f) A summary of the sites and the total amount of funds
17 expended at the sites at the conclusion of the fiscal year.

18 (g) The number of sites that would qualify as brownfields that
19 were redeveloped.

20 (2) The report prepared under subsection (1) shall also
21 include all of the following:

22 (a) The status of all state-owned facilities that are on the
23 list compiled under part 201 of the natural resources and
24 environmental protection act, 1994 PA 451, MCL 324.20101 to
25 324.20142.

26 (b) The report shall include the total amount of funds
27 expended during the fiscal year and the total amount of funds

1 awaiting expenditure.

2 (c) The total amount of bonds issued for the environmental
3 protection bond program pursuant to part 193 of the natural
4 resources and environmental protection act, 1994 PA 451, MCL
5 324.19301 to 324.19306, and bonds issued pursuant to the clean
6 Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

7 (3) The report shall be made available by March 31 of each
8 year.

9 Sec. 212. (1) The department of environmental quality is
10 authorized to expend amounts remaining from the current and prior
11 fiscal year appropriations to meet funding needs of legislatively
12 approved sites for the environmental cleanup and redevelopment
13 program and the leaking underground storage tank cleanup program.

14 (2) Unexpended and unencumbered amounts remaining from
15 appropriations from the environmental protection bond fund
16 contained in 2003 PA 173, are appropriated for expenditure for any
17 site listed in this article and any site listed in the public acts
18 referenced in this section.

19 (3) Unexpended and unencumbered amounts remaining from
20 appropriations from the cleanup and redevelopment fund and
21 unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA
22 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure
23 for any site listed in this article and any site listed in the
24 public acts referenced in this section.

25 (4) Unexpended and unencumbered amounts remaining from
26 appropriations from the clean Michigan initiative fund - response
27 activities contained in 2000 PA 52, 2001 PA 120, 2003 PA 173, 2003

1 PA 237, 2004 PA 309, 2004 PA 350, and 2005 PA 11 are appropriated
2 for expenditure for any site listed in this article and any site
3 listed in the public acts referenced in this section.

4 (5) Unexpended and unencumbered amounts remaining from
5 appropriations from the environmental protection fund contained in
6 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are
7 appropriated for expenditure for any site listed in this article
8 and any site listed in the public acts referenced in this section.

9 (6) Unexpended and unencumbered amounts remaining from
10 appropriations from the refined petroleum fund activities contained
11 in 2005 PA 154 are appropriated for expenditure for any refined
12 petroleum product cleanup site listed in this article and any site
13 listed in the public acts referenced in this section.

14 Sec. 213. Of the money appropriated from the environmental
15 education fund in part 1, \$5,000.00 shall be allocated to Michigan
16 State University Extension Service - 4-H Youth Programs to fund the
17 Michigan Youth Conservation Council.

18 Sec. 214. From the funds appropriated in part 1 for
19 information technology, departments and agencies shall pay user
20 fees to the department of information technology for technology-
21 related services and projects. These user fees shall be subject to
22 provisions of an interagency agreement between the department and
23 the department of information technology.

24 Sec. 215. Amounts appropriated in part 1 for information
25 technology may be designated as work projects and carried forward
26 to support department of environmental quality technology projects
27 under the direction of the department of information technology.

1 Funds designated in this manner are not available for expenditure
2 until approved as work projects under section 451a of the
3 management and budget act, 1984 PA 431, MCL 18.1451a.

4 Sec. 216. (1) Due to the current budgetary problems in this
5 state, out-of-state travel for the fiscal year ending September 30,
6 2007 shall be limited to situations in which 1 or more of the
7 following conditions apply:

8 (a) The travel is required by legal mandate or court order or
9 for law enforcement purposes.

10 (b) The travel is necessary to protect the health or safety of
11 Michigan citizens or visitors or to assist other states in similar
12 circumstances.

13 (c) The travel is necessary to produce budgetary savings or to
14 increase state revenues, including protecting existing federal
15 funds or securing additional federal funds.

16 (d) The travel is necessary to comply with federal
17 requirements.

18 (e) The travel is necessary to secure specialized training for
19 staff that is not available within this state.

20 (f) The travel is financed entirely by federal or nonstate
21 funds.

22 (2) If out-of-state travel is necessary but does not meet 1 or
23 more of the conditions in subsection (1), the state budget director
24 may grant an exception to allow the travel. Any exceptions granted
25 by the state budget director shall be reported on a monthly basis
26 to the house and senate appropriations committees.

27 (3) Not later than January 1 of each year, each department

1 shall prepare a travel report listing all travel by classified and
2 unclassified employees outside this state in the immediately
3 preceding fiscal year that was funded in whole or in part with
4 funds appropriated in the department's budget. The report shall be
5 submitted to the chairs and members of the house and senate
6 appropriations committees, the fiscal agencies, and the state
7 budget director. The report shall include the following
8 information:

9 (a) The name of each person receiving reimbursement for travel
10 outside this state or whose travel costs were paid by this state.

11 (b) The destination of each travel occurrence.

12 (c) The dates of each travel occurrence.

13 (d) A brief statement of the reason for each travel
14 occurrence.

15 (e) The transportation and related costs of each travel
16 occurrence, including the proportion funded with state general
17 fund/general purpose revenues, the proportion funded with state
18 restricted revenues, the proportion funded with federal revenues,
19 and the proportion funded with other revenues.

20 (f) A total of all out-of-state travel funded for the
21 immediately preceding fiscal year.

22 Sec. 217. Funds appropriated in part 1 shall not be used for
23 the purchase of foreign goods or services, or both, if
24 competitively priced and comparable quality American goods or
25 services, or both, are available. Preference should be given to
26 goods or services, or both, manufactured or provided by Michigan
27 businesses if they are competitively priced and of comparable

1 quality.

2 Sec. 218. The department shall collaborate with the statewide
3 public advisory council, local advisory councils, the United States
4 environmental protection agency, and other appropriate federal
5 agencies, the department of natural resources, and other
6 appropriate parties to develop a long-term strategy to restore and
7 formally remove Michigan's Great Lakes areas of concern from the
8 federal listing. Among other information, the strategy should
9 include a list of cleanup, source control, monitoring, and
10 assessment activities eligible for funding under the federal Great
11 Lakes legacy act; their estimated cost; options for meeting any
12 nonfederal funding match requirements for these activities,
13 including recommendations for changes to existing appropriations
14 and program expenditures to qualify as matching funds for federal
15 grant programs; a description of the optimum staffing level for the
16 areas of concern program and available funding options; and a
17 description of the department's role in seeking the formal removal
18 of areas of concern, or specific beneficial use impairments, from
19 the federal list, including minimum cleanup goals for identified
20 impairments based on applicable state and federal regulatory
21 standards and the monitoring programs available for assessing
22 progress in achieving those goals. In addition, the department
23 shall strive to apply for an equitable share of federal funding and
24 technical assistance available to support the area of concern
25 program and strive to provide the funds needed to meet nonfederal
26 funding requirements.

27 Sec. 219. The department shall not take disciplinary action

1 against an employee for communicating with a member of the
2 legislature or his or her staff.

3 Sec. 220. The department shall annually report to the state
4 budget director, the senate and house appropriations committees,
5 and the senate and house fiscal agencies an accounting of all civil
6 and criminal fine revenue collected during the year.

7 Sec. 221. Unexpended settlement revenues at the end of the
8 fiscal year may be carried forward into the settlement fund in the
9 succeeding fiscal year up to a maximum carryforward of
10 \$2,500,000.00.

11 Sec. 222. From the funds appropriated in part 1, the
12 department shall expend not more than \$50,000.00 to hire a
13 consulting firm to complete a benchmark study on the air permit,
14 NPDES, and wetland permit programs. This study shall include a
15 calculation of the department's per-permit cost to process the
16 permits, a listing of the timeliness of the process from receipt of
17 permit application to award or denial of permit, and a comparison
18 of Michigan's performance and practices to those of other Great
19 Lakes states. By December 1, 2006, the department shall issue a
20 request for proposals and select an individual or entity as
21 consultant to perform the benchmark analysis. The consultant
22 selected to perform the benchmark analysis shall be Michigan-based
23 and have a proven ability to evaluate regulatory activities and
24 make recommendations for improvement. This benchmark study shall be
25 completed and submitted to the legislature by March 31, 2007. A
26 stakeholder panel shall be established to assist the consultant in
27 developing this benchmark study. The stakeholder panel shall have a

1 total of 7 members as follows:

2 (a) Two individuals appointed by the speaker of the house, 1
3 representing permit holders, and 1 representing small business.

4 (b) Two individuals appointed by the senate majority leader, 1
5 representing permit holders and 1 with performance audit
6 experience.

7 (c) Three individuals appointed by the governor, consisting of
8 2 employees of the department and 1 person representing the general
9 public.

10 Sec. 225. The director shall take all reasonable steps to
11 ensure businesses in deprived and depressed communities compete for
12 and perform contracts to provide services or supplies, or both. The
13 director shall strongly encourage firms with which the department
14 contracts to subcontract with certified businesses in depressed and
15 deprived communities for services, supplies, or both.

16 Sec. 226. (1) The appropriation in section 102 includes
17 \$13,476,900.00 from restricted funds. This funding source shall
18 support the restricted fund requirements, pursuant to subsection
19 (4), for selected line items in the executive operations and
20 administrative support appropriation unit. These line items are
21 listed in subsection (2).

22 (2) From the amounts appropriated in section 102, not more
23 than the following amounts are appropriated from restricted funds:

24	(a) Administrative hearings	\$	117,300
25	(b) Executive direction	\$	786,200
26	(c) Central operations	\$	4,931,400
27	(d) Building occupancy charges	\$	6,199,500

1	(e) Human resources optimization user charges	\$	8,100
2	(f) Rent, privately owned property	\$	1,397,500
3	(g) Unclassified salaries	\$	36,900

4 (3) The appropriation in section 113 includes \$4,310,900.00
5 from restricted funds. This funding source shall support the
6 restricted fund requirements, pursuant to subsection (4), for the
7 information technology appropriation.

8 (4) The department shall adopt a cost allocation plan for
9 revenue sources supporting line items listed in subsections (2) and
10 subsection (3). This cost allocation plan may be phased in over 3
11 fiscal years, beginning with the fiscal year ending September 30,
12 2007.

13 (5) The department shall provide a report on or before October
14 31, 2006 to the house and senate appropriations subcommittees on
15 environmental quality and the house and senate fiscal agencies of
16 the line item amounts and detailed revenue sources which support
17 the restricted fund appropriations in sections 102 and 113.

18 Sec. 227. The department shall submit to the legislature a
19 report that identifies permits that would be required to construct
20 and operate a new oil or alternative fuels refinery in Michigan and
21 recommends legislation and other measures that can be taken by this
22 state to expedite or facilitate the processing of these permits.
23 This report shall be prepared in consultation with the United
24 States environmental protection agency and submitted to the house
25 and senate appropriations subcommittees on environmental quality on
26 or before April 30, 2007.

27 Sec. 228. All fees or penalties received pursuant to violation

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of permits issued by the department shall be deposited into the state general fund.

Sec. 229. The department of environmental quality shall not expend funds to enforce administrative rules, policies, guidelines, or procedures that are more stringent than 40 CFR parts 9, 122, 123, and 412, as finally promulgated. The department shall not implement or enforce administrative rules, policies, guidelines, or procedures that do 1 or more of the following:

(a) Require a farm to obtain a national pollution discharge elimination system permit under part 31 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.3101 to 324.3133, if the farm has not been found by the department to have a regulated discharge of pollutants into waters of this state.

(b) Require submission of field specific information beyond on-site access to the department.

(c) Exceed the agricultural stormwater exemption as defined in the clean water act, 33 USC 1251 to 1387.

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4 **AIR QUALITY**

5 Sec. 401. The department shall report quarterly, via the
6 department's Internet website, on air quality program expenditures
7 and revenues. The report shall include expenditures and revenues by
8 fund source and by program function.

9 **ENVIRONMENTAL SCIENCE AND SERVICES**

10 Sec. 501. By July 1, 2007, the department shall prepare and
11 submit a report to the state budget director, the legislature, the
12 chairs of the standing committees of the senate and house of
13 representatives with primary responsibility for issues related to
14 natural resources and the environment, and the chairs of the
15 subcommittees of the senate and house appropriations committees
16 with primary responsibility for appropriations for the department
17 of environmental quality, outlining the implementation of the Great
18 Lakes water quality bond provided for in part 197 of the natural
19 resources and environmental protection act, 1994 PA 451, MCL
20 324.19701 to 324.19708, including, but not limited to, the amount
21 of bonds issued and the date they were issued, the number of
22 applications received for loans from the state water pollution
23 control revolving fund created in section 16a of the shared credit
24 rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans
25 requested, a listing of the applicants receiving loans and the

1 total amount of loans provided to those applicants, a listing of
2 applicants whose loan applications were not approved and the
3 reasons why those applications were not approved, the amount of the
4 loans granted that were leveraged from bond proceeds, and the
5 remaining bond proceeds and bond authorization.

6 Sec. 502. Revenues remaining in the interdepartmental
7 transfers, laboratory services at the end of the fiscal year shall
8 carry forward into the succeeding fiscal year.

9 Sec. 504. The appropriation in part 1 for community outreach
10 pilot program shall be used to develop a portable community
11 outreach module that engages local government, citizens, state
12 government, and other partners to work together to increase
13 community awareness of the various environmental issues that may
14 impact their community. These modules will address community
15 outreach, development of work groups, and establish protocol for
16 communication with environmental agencies with regulatory
17 oversight. It is the intent for these modules to be shared with
18 other Michigan communities as a model to establish their own
19 environmental community outreach programs.

20 LAND AND WATER MANAGEMENT

21 Sec. 601. The department may waive permit fees for nonprofit
22 organizations conducting approved stream habitat improvement
23 projects.

24 Sec. 602. The appropriations in section 106 are contingent
25 upon enactment of amendments to part 325 of the natural resources
26 and environmental protection act, 1994 PA 451, MCL 324.32501 to

1 324.32516, pertaining to beach grooming and maintenance practices.

2 **REMEDICATION AND REDEVELOPMENT**

3 Sec. 701. The unexpended funds appropriated in part 1 for
4 emergency cleanup actions and the refined petroleum product cleanup
5 program are considered work project appropriations and any
6 unencumbered or unallotted funds are carried forward into the
7 succeeding fiscal year. The following is in compliance with section
8 451a(1) of the management and budget act, 1984 PA 431, MCL
9 18.1451a:

10 (a) The purpose of the projects to be carried forward is to
11 provide contaminated site cleanup.

12 (b) The projects will be accomplished by contract.

13 (c) The total estimated cost of all projects is identified in
14 each line-item appropriation.

15 (d) The tentative completion date is September 30, 2011.

16 Sec. 702. From funds appropriated in part 1 for activities
17 related to cleanup sites under part 201 of the natural resources
18 and environmental protection act, 1994 PA 451, MCL 324.20101 to
19 324.20142, the department shall incorporate into remedial action
20 plans area-wide or site-specific cleanup criteria derived from
21 peer-reviewed risk assessment based on bioavailability studies,
22 site-specific human exposure data, and any other scientifically
23 based risk assessment studies that are available and relevant. The
24 department shall submit a report listing efforts made by the
25 department to comply with this section. This report shall be
26 provided to the house and senate appropriations subcommittees on

1 environmental quality on or before January 1, 2007.

2 Sec. 703. The appropriation in part 1 for city of St. Louis
3 water supply wells shall be used toward the cost of procuring an
4 alternative water supply.

5 **WASTE AND HAZARDOUS MATERIALS**

6 Sec. 801. The department shall notify the members of the
7 senate and house of representatives of the appropriate district at
8 least 48 hours in advance of a departmental order which suspends or
9 red tags any wholesale or retail sale of petroleum products. If
10 imminent public health and safety concerns require action on a
11 department order in less than 48 hours, the department shall notify
12 the appropriate members of the senate and house of representatives
13 of the department order within 48 hours after the action is
14 completed.

15 Sec. 802. It is the intent of the legislature that the
16 recommendations of the site review board, as established in section
17 11117 of the natural resources and environmental protection act,
18 1994 PA 451, MCL 324.11117, are the final approval for each site
19 construction permit application that is referred to the board by
20 the department.

21 Sec. 803. The department shall annually provide a report to
22 the city of Romulus, city of Taylor, and Wayne County containing
23 all of the following:

24 (a) Information concerning the release or discharge of any
25 hazardous waste or hazardous waste constituent that may endanger
26 public drinking water supplies or the environment.

1 (b) Information concerning the fire, explosion, or other
2 release or discharge of any hazardous waste or hazardous waste
3 constituent that could threaten human health or the environment or
4 a spill that has reached surface water or groundwater.

5 (c) A summary of groundwater quality data, data graphs, data
6 tables, statistical analyses to date, and identification of any
7 statistically significant increases.

8 (d) With respect to the information described in subdivisions
9 (a) to (c), a description of any noncompliance and its cause; the
10 periods of noncompliance, including exact dates and times; whether
11 the noncompliance has been corrected and, if not, the anticipated
12 time it is expected to continue; and steps taken or planned to
13 reduce, eliminate, and prevent recurrence of the noncompliance and
14 when those activities occurred or will occur.

15 **WATER**

16 Sec. 901. By February 1, 2007, the department shall submit a
17 report on the department's use of the national pollutant discharge
18 elimination system fund created in MCL 324.3121 for the previous
19 fiscal year, to the senate and house appropriations subcommittees
20 on environmental quality, the standing committees of the
21 legislature with jurisdiction over issues primarily related to
22 natural resources and the environment, and the senate and house
23 fiscal agencies. The report shall include a summary of how the
24 appropriations in part 1 for NPDES nonstormwater program were used
25 for the various permissible uses of the fund and shall include
26 specific information on all of the following:

1 (a) The number of compliance and complaint inspections
2 completed, by category, the number of on-site compliance
3 inspections conducted, and the number of compliance inspections
4 that were not announced in advance to the permittee or licensee.

5 (b) The number and percent of permit and license inspections
6 that were found to be in significant noncompliance, by category.

7 (c) The number of administrative enforcement actions taken for
8 permit or license violations and the results of the enforcement
9 actions, including the amount of fines and penalties collected.

10 (d) The number of judicial enforcement actions taken for
11 permit or license violations and the results of the enforcement
12 actions, including the amount of fines and penalties collected.

13 (e) A listing of the supplemental environmental projects
14 agreed to as a result of a consent agreement including all of the
15 following: the case name, the monetary value of the supplemental
16 environmental project, and a description of the project.

17 Sec. 902. Of the funds appropriated in part 1 for safe
18 drinking water assistance activities under part 54 of the natural
19 resources and environmental protection act, 1994 PA 451, MCL
20 324.5401 to 324.5418, the department shall allocate the full 2%
21 available for technical assistance under 42 USC 300j-12.

22 **GRANTS**

23 Sec. 1001. If a certified health department does not exist in
24 a city, county, or district or does not fulfill its
25 responsibilities under part 117 of the natural resources and
26 environmental protection act, 1994 PA 451, MCL 324.11701 to

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324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

Sec. 1002. Of the funds appropriated in part 1 for scrap tire grants, \$100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

Sec. 1003. The appropriation in part 1 for a real-time water quality monitoring grant is a grant to Macomb County and St. Clair County to support a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2006, grant recipients shall report to the department on the plan, implementation, and status of the project. The department shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies.

[Sec. 1004. The appropriation in part 1 for Muskegon County is to provide partial funding support for the development of a wetlands at the Muskegon County wastewater treatment facility along the Little Black Creek.]

Sec. 1005. Any governmental unit shall be eligible for a loan for each sewage disposal system operated by that unit of government.]

ARTICLE 7

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service,

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information technology, management and budget, state, and treasury,
the executive office, the legislative branch, and certain other
state purposes, for the fiscal year ending September 30, 2007, from
the funds indicated in this part. The following is a summary of the
appropriations in this part:

TOTAL GENERAL GOVERNMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions 49.0

Full-time equated classified positions 7,086.4

GROSS APPROPRIATION \$ [2,941,233,400]

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 585,266,100

ADJUSTED GROSS APPROPRIATION [2,355,967,300]

Federal revenues:

Total federal revenues 55,540,200

Special revenue funds:

Total local revenues 2,766,200

Total private revenues 550,100

Total other state restricted revenues [1,665,891,800]

State general fund/general purpose 631,219,000

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions 6.0

Full-time equated classified positions 557.0

GROSS APPROPRIATION \$ 68,306,300

1	Interdepartmental grant revenues:	
2	Total interdepartmental grants and intradepartmental	
3	transfers	13,914,300
4	ADJUSTED GROSS APPROPRIATION.....	\$ 54,392,000
5	Federal revenues:	
6	Total federal revenues.....	10,236,500
7	Special revenue funds:	
8	Total local revenues.....	0
9	Total private revenues.....	0
10	Total other state restricted revenues.....	11,259,500
11	State general fund/general purpose.....	\$ 32,896,000
12	(2) ATTORNEY GENERAL OPERATIONS (EFFECTIVE	
13	GOVERNMENT, SAFETY)	
14	Full-time equated unclassified positions.....	6.0
15	Full-time equated classified positions.....	557.0
16	Attorney general.....	\$ 124,900
17	Unclassified positions--5.0 FTE positions.....	476,300
18	Attorney general operations--517.0 FTE positions.....	61,928,000
19	Child support enforcement--25.0 FTE positions.....	2,851,500
20	Prosecuting attorneys coordinating council--15.0 FTE	
21	positions	1,860,900
22	PACC, training project.....	<u>325,000</u>
23	GROSS APPROPRIATION.....	\$ 67,566,600
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	IDG from MDCH, health services.....	1,780,300
27	IDG from MDHS.....	3,209,200

1	IDG from MDLEG, financial and insurance services	1,068,300
2	IDG from MDLEG, public utility assessments	1,965,300
3	IDG from MDMB, risk management revolving fund	1,321,300
4	IDG from MDOT, comprehensive transportation fund	153,400
5	IDG from MDOT, state aeronautics fund	151,400
6	IDG from MDOT, state trunkline fund	2,708,300
7	IDG from MDSP, Michigan justice training fund	325,000
8	IDG from Michigan gaming control board	979,500
9	IDG from treasury, land reutilization fund	252,300
10	Federal revenues:	
11	DAG, state administrative match grant/food stamps	387,700
12	DED-OPSE, student loan, federal lender allowance	320,200
13	DOL-ETA, unemployment insurance	1,564,500
14	DOL-OSHA, occupational safety and health	274,700
15	EPA, multiple grants	280,800
16	Federal funds	2,624,200
17	HHS, medical assistance, medigrant	628,100
18	HHS-OS, state Medicaid fraud control units	4,156,300
19	Special revenue funds:	
20	Antitrust enforcement collections	627,200
21	Attorney general's operations fund	838,200
22	Auto repair facilities fees	225,500
23	Collections revenue	683,200
24	Environmental response fund	760,400
25	Franchise fees	282,600
26	Game and fish protection fund	740,800
27	Liquor purchase revolving fund	1,025,100

1	Manufactured housing fees.....		219,900
2	Merit award trust fund.....		406,700
3	Michigan state housing development authority fees....		552,300
4	Oil and gas privilege fee revenue.....		198,600
5	Prisoner reimbursement.....		445,800
6	Prosecuting attorneys training fees.....		357,700
7	Retirement funds.....		730,000
8	Second injury fund.....		999,800
9	Self-insurers security fund.....		168,700
10	Silicosis and dust disease fund.....		516,000
11	State building authority revenue.....		94,700
12	State hospital authority.....		357,500
13	State lottery fund.....		239,700
14	Utility consumers fund.....		539,500
15	Waterways fund.....		96,700
16	Worker's compensation administrative revolving fund..		152,900
17	State general fund/general purpose.....	\$	32,156,300
18	(3) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
19	Information technology services and projects.....	\$	<u>739,700</u>
20	GROSS APPROPRIATION.....	\$	739,700
21	Appropriated from:		
22	State general fund/general purpose.....	\$	739,700
23	Sec. 103. DEPARTMENT OF CIVIL RIGHTS		
24	(1) APPROPRIATION SUMMARY		
25	Full-time equated unclassified positions.....		5.0
26	Full-time equated classified positions.....		136.0

1	GROSS APPROPRIATION.....	\$	14,020,200
2	Interdepartmental grant revenues:		
3	Total interdepartmental grants and intradepartmental		
4	transfers		0
5	ADJUSTED GROSS APPROPRIATION.....	\$	14,020,200
6	Federal revenues:		
7	Total federal revenues.....		1,566,200
8	Special revenue funds:		
9	Total local revenues.....		0
10	Total private revenues.....		0
11	Total other state restricted revenues.....		0
12	State general fund/general purpose.....	\$	12,454,000
13	(2) CIVIL RIGHTS OPERATIONS (VULNERABLE)		
14	Full-time equated unclassified positions.....	5.0	
15	Full-time equated classified positions.....	136.0	
16	Unclassified positions--5.0 FTE positions.....	\$	264,100
17	Civil rights operations--136.0 FTE positions.....		12,967,100
18	Human resources optimization user charges.....		<u>8,500</u>
19	GROSS APPROPRIATION.....	\$	13,239,700
20	Appropriated from:		
21	Federal revenues:		
22	EEOC, state and local antidiscrimination agency		
23	contracts		1,024,800
24	HUD, grant.....		541,400
25	State general fund/general purpose.....	\$	11,673,500
26	(3) INFORMATION TECHNOLOGY (VULNERABLE)		
27	Information technology services and projects.....	\$	<u>780,500</u>

1	GROSS APPROPRIATION.....	\$	780,500
2	Appropriated from:		
3	State general fund/general purpose.....	\$	780,500
4	Sec. 104. DEPARTMENT OF CIVIL SERVICE		
5	(1) APPROPRIATION SUMMARY		
6	Full-time equated classified positions.....	240.5	
7	GROSS APPROPRIATION.....	\$	36,547,100
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and intradepartmental		
10	transfers		5,788,100
11	ADJUSTED GROSS APPROPRIATION.....	\$	30,759,000
12	Federal revenues:		
13	Total federal revenues.....		4,779,100
14	Special revenue funds:		
15	Total local revenues.....		1,700,000
16	Total private revenues.....		150,000
17	Total other state restricted revenues.....		17,157,500
18	State general fund/general purpose.....	\$	6,972,400
19	(2) CIVIL SERVICE OPERATIONS (EFFECTIVE GOVERNMENT)		
20	Full-time equated classified positions.....	240.5	
21	Agency services--118.5 FTE positions.....	\$	12,840,100
22	Executive direction--45.0 FTE positions.....		8,586,900
23	Employee benefits--31.0 FTE positions.....		5,769,500
24	Audit and compliance--16.0 FTE positions.....		2,114,600
25	Training.....		1,300,000
26	Human resources optimization--30.0 FTE positions		<u>2,117,200</u>

1	GROSS APPROPRIATION.....	\$	32,728,300
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG, training charges.....		1,300,000
5	IDG, 1% special funds.....		1,300,000
6	IDG, human resources optimization user charges		2,117,200
7	Federal revenues:		
8	Federal funds 1%.....		3,637,100
9	Special revenue funds:		
10	Local funds 1%.....		1,700,000
11	Private funds 1%.....		150,000
12	Freedom of information fees.....		1,100
13	State restricted funds 1%.....		7,744,300
14	State sponsored group insurance.....		2,650,000
15	State sponsored group insurance, flexible spending		
16	accounts, and COBRA		5,769,500
17	State general fund/general purpose.....	\$	6,359,100
18	(3) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
19	Information technology services and projects.....	\$	<u>3,818,800</u>
20	GROSS APPROPRIATION.....	\$	3,818,800
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG, human resources optimization user charges		1,070,900
24	Federal revenues:		
25	Federal funds 1%.....		1,142,000
26	Special revenue funds:		
27	State restricted funds 1%.....		852,300

1	State sponsored group insurance, flexible spending		
2	accounts, and COBRA		140,300
3	State general fund/general purpose	\$	613,300
4	Sec. 105. EXECUTIVE OFFICE		
5	(1) APPROPRIATION SUMMARY		
6	Full-time equated unclassified positions.....	10.0	
7	Full-time equated classified positions.....	74.2	
8	GROSS APPROPRIATION.....	\$	5,375,500
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and intradepartmental		
11	transfers		0
12	ADJUSTED GROSS APPROPRIATION.....	\$	5,375,500
13	Federal revenues:		
14	Total federal revenues.....		0
15	Special revenue funds:		
16	Total local revenues.....		0
17	Total private revenues.....		0
18	Total other state restricted revenues.....		0
19	State general fund/general purpose	\$	5,375,500
20	(2) EXECUTIVE OFFICE OPERATIONS (EFFECTIVE		
21	GOVERNMENT)		
22	Full-time equated unclassified positions.....	10.0	
23	Full-time equated classified positions.....	74.2	
24	Governor.....	\$	177,000
25	Lieutenant governor.....		123,900
26	Executive office--74.2 FTE positions.....		4,224,800

1	Unclassified positions--8.0 FTE positions		<u>849,800</u>
2	GROSS APPROPRIATION.....	\$	5,375,500
3	Appropriated from:		
4	State general fund/general purpose	\$	5,375,500
5	Sec. 106. DEPARTMENT OF INFORMATION TECHNOLOGY		
6	(1) APPROPRIATION SUMMARY		
7	Full-time equated unclassified positions.....	6.0	
8	Full-time equated classified positions.....	1,775.4	
9	GROSS APPROPRIATION.....	\$	378,422,000
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		378,422,000
13	ADJUSTED GROSS APPROPRIATION.....		0
14	Federal revenues:		
15	Total federal revenues.....		0
16	Special revenue funds:		
17	Total local revenues.....		0
18	Total private revenues.....		0
19	Total other state restricted revenues.....		0
20	State general fund/general purpose	\$	0
21	(2) ADMINISTRATION (EFFECTIVE GOVERNMENT)		
22	Full-time equated unclassified positions.....	6.0	
23	Full-time equated classified positions.....	1,775.4	
24	Unclassified positions--6.0 FTE positions	\$	300,000
25	Enterprisewide services--75.0 FTE positions		23,574,000
26	Health and human services--775.6 FTE positions		209,190,600

1	Education services--38.9 FTE positions	3,173,500
2	Public protection--302.0 FTE positions	39,860,800
3	Resources services--171.1 FTE positions	16,769,900
4	Transportation services--107.0 FTE positions	27,504,900
5	General services--305.8 FTE positions	<u>58,048,300</u>
6	GROSS APPROPRIATION.....	\$ 378,422,000
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from department of agriculture	1,537,800
10	IDG from department of attorney general	739,700
11	IDG from department of civil rights	780,500
12	IDG from department of civil service	3,818,800
13	IDG from department of community health	31,427,100
14	IDG from department of corrections	16,618,500
15	IDG from department of education	2,614,700
16	IDG from department of environmental quality	6,810,400
17	IDG from Michigan gaming control board	1,186,000
18	IDG from department of history, arts, and libraries ..	953,100
19	IDG from department of human services	136,083,900
20	IDG from department of labor and economic growth	43,188,500
21	IDG from bureau of state lottery	4,497,300
22	IDG from department of management and budget	28,433,600
23	IDG from department of military and veterans affairs .	1,161,700
24	IDG from department of natural resources	9,002,900
25	IDG from department of state	23,629,300
26	IDG from department of state police	21,035,700
27	IDG from department of transportation	27,876,500

1	IDG from department of treasury.....		17,026,000
2	State general fund/general purpose.....	\$	0
3	Sec. 107. LEGISLATURE		
4	(1) APPROPRIATION SUMMARY		
5	GROSS APPROPRIATION.....	\$	113,754,400
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers		0
9	ADJUSTED GROSS APPROPRIATION.....	\$	113,754,400
10	Federal revenues:		
11	Total federal revenues.....		0
12	Special revenue funds:		
13	Total local revenues.....		0
14	Total private revenues.....		400,000
15	Total other state restricted revenues.....		1,109,800
16	State general fund/general purpose.....	\$	112,244,600
17	(2) LEGISLATURE (EFFECTIVE GOVERNMENT)		
18	Senate.....	\$	29,543,100
19	Senate automated data processing.....		2,618,000
20	Senate fiscal agency.....		3,144,400
21	House of representatives.....		45,743,200
22	House automated data processing.....		2,079,200
23	House fiscal agency.....		<u>3,042,600</u>
24	GROSS APPROPRIATION.....	\$	86,170,500
25	Appropriated from:		
26	State general fund/general purpose.....	\$	86,170,500

1	(3) LEGISLATIVE COUNCIL (EFFECTIVE GOVERNMENT)		
2	Legislative council.....	\$	10,271,900
3	Legislative service bureau automated data processing .		1,411,700
4	Worker's compensation.....		136,600
5	National association dues.....		<u>100,500</u>
6	GROSS APPROPRIATION.....	\$	11,920,700
7	Appropriated from:		
8	Special revenue funds:		
9	Private - gifts and bequests revenues.....		400,000
10	State general fund/general purpose.....	\$	11,520,700
11	(4) LEGISLATIVE RETIREMENT SYSTEM (EFFECTIVE		
12	GOVERNMENT)		
13	General nonretirement expenses.....	\$	<u>4,449,900</u>
14	GROSS APPROPRIATION.....	\$	4,449,900
15	Appropriated from:		
16	Special revenue funds:		
17	Court fees.....		1,109,800
18	State general fund/general purpose.....	\$	3,340,100
19	(5) PROPERTY MANAGEMENT (EFFECTIVE GOVERNMENT)		
20	Capitol building.....	\$	2,305,700
21	Cora Anderson building.....		7,963,400
22	Farnum building and other properties.....		<u>944,200</u>
23	GROSS APPROPRIATION.....	\$	11,213,300
24	Appropriated from:		
25	State general fund/general purpose.....	\$	11,213,300
26	Sec. 108. OFFICE OF THE AUDITOR GENERAL		

1	(1) APPROPRIATION SUMMARY		
2	GROSS APPROPRIATION.....	\$	17,477,500
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers		1,801,500
6	ADJUSTED GROSS APPROPRIATION.....	\$	15,676,000
7	Federal revenues:		
8	Total federal revenues.....		0
9	Special revenue funds:		
10	Total local revenues.....		0
11	Total private revenues.....		0
12	Total other state restricted revenues.....		1,539,900
13	State general fund/general purpose.....	\$	14,136,100
14	(2) OFFICE OF THE AUDITOR GENERAL (EFFECTIVE		
15	GOVERNMENT)		
16	Unclassified positions.....	\$	313,500
17	Field operations.....		<u>17,164,000</u>
18	GROSS APPROPRIATION.....	\$	17,477,500
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	IDG from MDCS.....		107,900
22	IDG from MDLEG, liquor purchase revolving fund.....		11,300
23	IDG from MDOT, comprehensive transportation fund.....		25,200
24	IDG from MDOT, Michigan transportation fund.....		204,300
25	IDG from MDOT, state aeronautics fund.....		19,600
26	IDG from MDOT, state trunkline fund.....		474,600
27	IDG, single audit act.....		958,600

1	Special revenue funds:	
2	Cadillac local development finance authority.....	12,000
3	Clean Michigan initiative implementation bond fund...	37,500
4	Commercial mobile radio system emergency telephone	
5	fund	37,500
6	Construction lien fund.....	7,200
7	Contract audit administration fees.....	52,700
8	Correctional industries revolving fund.....	31,300
9	Fee adequacy, air quality delegated authority.....	9,400
10	Game and fish protection fund.....	21,400
11	Legislative retirement system.....	18,700
12	Marine safety fund.....	1,900
13	Michigan economic development corporation.....	41,200
14	Michigan education trust fund.....	30,000
15	Michigan justice training commission fund.....	28,100
16	Michigan state fair revolving fund.....	33,000
17	Michigan state housing development authority fees....	22,100
18	Michigan strategic fund.....	87,500
19	Michigan tobacco settlement authority.....	75,000
20	Michigan veterans' trust fund.....	24,400
21	Motor transport revolving fund.....	4,700
22	Office services revolving fund.....	6,800
23	State disbursement unit, office of child support....	25,000
24	State services fee fund.....	926,900
25	Waterways fund.....	5,600
26	State general fund/general purpose.....	\$ 14,136,100

Sec. 109. DEPARTMENT OF MANAGEMENT AND BUDGET

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions..... 7.0

Full-time equated classified positions..... 752.0

GROSS APPROPRIATION..... \$ 496,642,000

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 155,293,500

ADJUSTED GROSS APPROPRIATION..... \$ 341,348,500

Federal revenues:

Total federal revenues..... 0

Special revenue funds:

Total local revenues..... 0

Total private revenues..... 0

Total other state restricted revenues..... 67,438,900

State general fund/general purpose..... \$ 273,909,600

(2) MANAGEMENT AND BUDGET SERVICES (EFFECTIVE

GOVERNMENT)

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 588.5

Unclassified positions--6.0 FTE positions..... \$ 570,800

Executive operations--21.0 FTE positions..... 2,444,900

Administrative services--61.5 FTE positions..... 6,337,300

Budget and financial management--113.5 FTE positions . 10,319,300

Office of the state employer--23.0 FTE positions 2,719,900

Design and construction services--40.0 FTE positions . 5,162,600

Business support services--88.5 FTE positions 8,398,300

1	Building operation services--241.0 FTE positions	87,546,000
2	Building occupancy charges, rent, and utilities	4,179,600
3	Human resources optimization user charges	64,200
4	Motor vehicle fleet	<u>56,724,200</u>
5	GROSS APPROPRIATION	\$ 184,467,100
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from building occupancy and parking charges	90,280,400
9	IDG from department of labor and economic growth	100,000
10	IDG from MDCH	425,800
11	IDG from MDHS	102,400
12	IDG from MDOT, comprehensive transportation fund	60,300
13	IDG from MDOT, state aeronautics fund	37,500
14	IDG from MDOT, state trunkline fund	1,319,000
15	IDG from motor transport fund	56,724,200
16	IDG from user fees	5,175,700
17	Special revenue funds:	
18	Game and fish protection fund	249,300
19	Health management funds	1,684,400
20	Marine safety fund	22,400
21	Special revenue, internal service, and pension trust	
22	funds	9,002,100
23	State building authority revenue	587,200
24	State lottery fund	108,600
25	State services fee fund	75,300
26	Waterways fund	56,700
27	State general fund/general purpose	\$ 18,455,800

1	(3) STATEWIDE APPROPRIATIONS (EFFECTIVE GOVERNMENT)		
2	Professional development fund - AFSCME	\$	50,000
3	Professional development fund - MPES		<u>125,000</u>
4	GROSS APPROPRIATION	\$	175,000
5	Appropriated from:		
6	Interdepartmental grant revenues:		
7	IDG from employer contributions		175,000
8	State general fund/general purpose	\$	0
9	(4) SPECIAL PROGRAMS (EFFECTIVE GOVERNMENT,		
10	VULNERABLE)		
11	Full-time equated classified positions	154.5	
12	Building occupancy charges - property management		
13	services for executive/legislative building		
14	occupancy	\$	1,878,200
15	Retirement services--140.5 FTE positions		16,044,800
16	Office of children's ombudsman--14.0 FTE positions ...		<u>1,384,800</u>
17	GROSS APPROPRIATION	\$	19,307,800
18	Appropriated from:		
19	Special revenue funds:		
20	Deferred compensation		1,542,400
21	Pension trust funds		14,502,400
22	State general fund/general purpose	\$	3,263,000
23	(5) STATE FAIR (THRIVING ECONOMY)		
24	Full-time equated unclassified positions	1.0	
25	Full-time equated classified positions	9.0	
26	Unclassified positions--1.0 FTE position	\$	101,000
27	Michigan state fair operations--9.0 FTE positions		6,360,400

1	Michigan state fair information technology		<u>88,800</u>
2	GROSS APPROPRIATION	\$	6,550,200
3	Appropriated from:		
4	Special revenue funds:		
5	State exposition and fairgrounds fund		6,550,200
6	State general fund/general purpose	\$	0
7	(6) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
8	Information technology services and projects	\$	<u>28,344,800</u>
9	GROSS APPROPRIATION	\$	28,344,800
10	Appropriated from:		
11	Interdepartmental grant revenues:		
12	IDG from building occupancy and parking charges		655,700
13	IDG from MDOT, comprehensive transportation fund		2,100
14	IDG from MDOT, state aeronautics fund		1,100
15	IDG from MDOT, state trunkline fund		47,500
16	IDG from user fees		186,800
17	Special revenue funds:		
18	Deferred compensation		2,600
19	Game and fish protection fund		9,800
20	Health management funds		41,700
21	Marine safety fund		900
22	MAIN user charges		3,773,700
23	Pension trust funds		6,563,300
24	Special revenue, internal service, and pension trust		
25	funds		2,554,600
26	State building authority revenue		9,700
27	State lottery fund		4,600

1	Waterways fund.....		2,000
2	State general fund/general purpose.....	\$	14,488,700
3	(7) STATE BUILDING AUTHORITY RENT (EFFECTIVE		
4	GOVERNMENT)		
5	State building authority rent - state agencies.....	\$	59,943,400
6	State building authority rent - department of		
7	corrections		66,830,200
8	State building authority rent - universities.....		115,477,300
9	State building authority rent - community colleges...		<u>15,546,200</u>
10	GROSS APPROPRIATION.....	\$	257,797,100
11	Appropriated from:		
12	Special revenue funds:		
13	Commercial mobile radio suppliers fund.....		18,300,000
14	Roosevelt parking facility reimbursement.....		275,000
15	State lottery fund.....		1,520,000
16	State general fund/general purpose.....	\$	237,702,100
17	Sec. 110. DEPARTMENT OF STATE		
18	(1) APPROPRIATION SUMMARY		
19	Full-time equated unclassified positions.....	6.0	
20	Full-time equated classified positions.....	1,853.8	
21	GROSS APPROPRIATION.....	\$	204,793,500
22	Interdepartmental grant revenues:		
23	Total interdepartmental grants and intradepartmental		
24	transfers		20,000,000
25	ADJUSTED GROSS APPROPRIATION.....	\$	184,793,500
26	Federal revenues:		

1	Total federal revenues.....	3,052,100
2	Special revenue funds:	
3	Total local revenues.....	0
4	Total private revenues.....	100
5	Total other state restricted revenues.....	162,608,600
6	State general fund/general purpose.....	\$ 19,132,700
7	(2) EXECUTIVE DIRECTION (EFFECTIVE GOVERNMENT)	
8	Full-time equated unclassified positions.....	6.0
9	Full-time equated classified positions.....	30.2
10	Secretary of state.....	\$ 124,900
11	Unclassified positions--5.0 FTE positions.....	459,200
12	Operations--30.2 FTE positions.....	<u>2,712,000</u>
13	GROSS APPROPRIATION.....	\$ 3,296,100
14	Appropriated from:	
15	Special revenue funds:	
16	Auto repair facilities fees.....	60,500
17	Driver fees.....	116,900
18	Expedient service fees.....	51,800
19	Parking ticket court fines.....	8,300
20	Personal identification card fees.....	12,200
21	Reinstatement fees - operator licenses.....	131,400
22	Transportation administration collection fund.....	2,179,700
23	Vehicle theft prevention fees.....	35,600
24	State general fund/general purpose.....	\$ 699,700
25	(3) DEPARTMENT SERVICES (MOBILITY, EFFECTIVE	
26	GOVERNMENT)	
27	Full-time equated classified positions.....	172.3

1	Operations--163.8 FTE positions	\$	23,775,400
2	Assigned claims assessments--6.5 FTE positions		743,200
3	Motorcycle safety education administration--2.0 FTE		
4	positions		382,100
5	Motorcycle safety education grants		<u>1,400,000</u>
6	GROSS APPROPRIATION	\$	26,300,700
7	Appropriated from:		
8	Federal revenues:		
9	Federal funds		55,700
10	Special revenue funds:		
11	Abandoned vehicle fees		666,200
12	Assigned claims assessments		743,200
13	Auto repair facilities fees		415,000
14	Child support clearance fees		34,300
15	Driver fees		394,300
16	Expedient service fees		248,100
17	Marine safety fund		74,500
18	Motorcycle safety fund		1,782,100
19	Off-road vehicle title fees		7,700
20	Parking ticket court fines		52,700
21	Personal identification card fees		83,000
22	Reinstatement fees - operator licenses		536,600
23	Scrap tire fund		68,500
24	Snowmobile registration fee revenue		17,700
25	Transportation administration collection fund		20,356,400
26	Vehicle theft prevention fees		243,400
27	State general fund/general purpose	\$	521,300

**(4) REGULATORY SERVICES (MOBILITY, EFFECTIVE
GOVERNMENT)**

Full-time equated classified positions.....	245.1	
Operations--245.1 FTE positions.....		\$ 22,617,800
County clerk education and training.....		<u>100,000</u>
GROSS APPROPRIATION.....		\$ 22,717,800
Appropriated from:		
Federal revenues:		
Federal funds.....		102,500
Special revenue funds:		
Auto repair facilities fees.....		4,644,800
Commercial driver training school fees.....		70,500
Driver fees.....		1,693,200
Expedient service fees.....		33,300
Notary education and training fund.....		100,000
Notary fee fund.....		311,900
Parking ticket court fines.....		20,700
Personal identification card fees.....		47,700
Reinstatement fees - operator licenses.....		1,704,700
Transportation administration collection fund.....		11,779,400
Vehicle theft prevention fees.....		1,580,900
State general fund/general purpose.....		\$ 628,200

**(5) CUSTOMER DELIVERY SERVICES (EFFECTIVE
GOVERNMENT, MOBILITY)**

Full-time equated classified positions.....	1,377.7	
Branch operations--957.4 FTE positions.....		\$ 73,410,800
Central operations--404.1 FTE positions.....		36,201,900

1	Commemorative license plates--16.2 FTE positions	2,147,300
2	Specialty license plates.....	1,922,000
3	Olympic center plate.....	75,700
4	Organ donor program.....	<u>104,100</u>
5	GROSS APPROPRIATION.....	\$ 113,861,800
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from MDOT, Michigan transportation fund.....	20,000,000
9	Federal revenues:	
10	Federal funds.....	2,893,900
11	Special revenue funds:	
12	Private funds.....	100
13	Auto repair facilities fees.....	93,100
14	Child support clearance fees.....	395,500
15	Driver fees.....	13,733,000
16	Expedient service fees.....	2,853,800
17	Marine safety fund.....	1,144,000
18	Michigan state police auto theft fund.....	115,600
19	Mobile home commission fees.....	476,000
20	Off-road vehicle title fees.....	122,700
21	Parking ticket court fines.....	1,590,500
22	Personal identification card fees.....	1,527,100
23	Reinstatement fees - operator licenses.....	1,152,500
24	Snowmobile registration fee revenue.....	335,200
25	Transportation administration collection fund.....	60,581,200
26	Vehicle theft prevention fees.....	209,500
27	State general fund/general purpose.....	\$ 6,638,100

1	(6) ELECTION REGULATION (EFFECTIVE GOVERNMENT)		
2	Full-time equated classified positions.....	28.5	
3	Election administration and services--25.5 FTE		
4	positions	\$	2,821,600
5	Fees to local units.....		69,800
6	Qualified voter file--3.0 FTE positions		<u>1,833,900</u>
7	GROSS APPROPRIATION.....	\$	4,725,300
8	Appropriated from:		
9	State general fund/general purpose	\$	4,725,300
10	(7) DEPARTMENTWIDE APPROPRIATIONS (EFFECTIVE		
11	GOVERNMENT)		
12	Building occupancy charges/rent	\$	9,795,500
13	Worker's compensation.....		<u>467,000</u>
14	GROSS APPROPRIATION.....	\$	10,262,500
15	Appropriated from:		
16	Special revenue funds:		
17	Auto repair facilities fees		142,000
18	Driver fees.....		436,800
19	Expedient service fees.....		14,400
20	Parking ticket court fines.....		470,800
21	Transportation administration collection fund.....		6,364,500
22	State general fund/general purpose	\$	2,834,000
23	(8) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
24	Information technology services and projects	\$	<u>23,629,300</u>
25	GROSS APPROPRIATION.....	\$	23,629,300
26	Appropriated from:		
27	Special revenue funds:		

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1	Administrative order processing fee.....	11,000
2	Auto repair facilities fees.....	180,800
3	Child support clearance fees.....	16,300
4	Driver fees.....	1,332,200
5	Expedient service fees.....	453,900
6	Parking ticket court fines.....	83,300
7	Personal identification card fees.....	876,100
8	Reinstatement fees - operator licenses.....	469,200
9	Transportation administration collection fund.....	16,948,200
10	Vehicle theft prevention fees.....	172,200
11	State general fund/general purpose.....	\$ 3,086,100

12 **Sec. 111. DEPARTMENT OF TREASURY**13 **(1) APPROPRIATION SUMMARY**

14	Full-time equated unclassified positions.....	9.0
15	Full-time equated classified positions.....	1,697.5
16	GROSS APPROPRIATION.....	\$ [1,605,894,900]
17	Interdepartmental grant revenues:	
18	Total interdepartmental grants and intradepartmental	
19	transfers	10,046,700
20	ADJUSTED GROSS APPROPRIATION.....	\$ [1,595,848,200]
21	Federal revenues:	
22	Total federal revenues.....	35,906,300
23	Special revenue funds:	
24	Total local revenues.....	1,066,200
25	Total private revenues.....	0
26	Total other state restricted revenues.....	[1,404,777,600]

1	State general fund/general purpose	\$	154,098,100
2	(2) EXECUTIVE DIRECTION (EFFECTIVE GOVERNMENT)		
3	Full-time equated unclassified positions.....	9.0	
4	Full-time equated classified positions.....	5.0	
5	Unclassified positions--9.0 FTE positions	\$	812,600
6	Office of the director--5.0 FTE positions		<u>820,900</u>
7	GROSS APPROPRIATION.....	\$	1,633,500
8	Appropriated from:		
9	Special revenue funds:		
10	State lottery fund.....		158,400
11	State services fee fund.....		198,300
12	State general fund/general purpose	\$	1,276,800
13	(3) DEPARTMENTWIDE APPROPRIATIONS (EFFECTIVE		
14	GOVERNMENT)		
15	Travel.....	\$	1,415,900
16	Rent and building occupancy charges - property		
17	management services		5,715,300
18	Worker's compensation insurance premium.....		<u>216,000</u>
19	GROSS APPROPRIATION.....	\$	7,347,200
20	Appropriated from:		
21	Special revenue funds:		
22	Delinquent tax collection revenue.....		3,580,600
23	State general fund/general purpose	\$	3,766,600
24	(4) LOCAL GOVERNMENT PROGRAMS (EFFECTIVE GOVERNMENT)		
25	Full-time equated classified positions.....	106.0	
26	Supervision of the general property tax law--83.0 FTE		
27	positions	\$	13,161,200

1	Property tax assessor training--4.0 FTE positions	412,300
2	Local finance--19.0 FTE positions	<u>2,338,300</u>
3	GROSS APPROPRIATION.....	\$ 15,911,800
4	Appropriated from:	
5	Special revenue funds:	
6	Local - assessor training fees	412,300
7	Local - audit charges	563,900
8	Local - equalization study charge-backs	40,000
9	Local - revenue from local government	50,000
10	Land reutilization fund	6,917,200
11	Municipal finance fees	458,200
12	State education tax collections	50,000
13	State general fund/general purpose	\$ 7,420,200
14	(5) TAX PROGRAMS (EFFECTIVE GOVERNMENT, RESOURCE	
15	CONSERVATION, VULNERABLES)	
16	Full-time equated classified positions.....	766.0
17	Customer contact--186.0 FTE positions	\$ 11,521,200
18	Tax compliance--338.0 FTE positions	30,625,500
19	Tax policy--38.0 FTE positions	4,496,200
20	Tax processing--150.0 FTE positions	13,978,000
21	Revenue enhancement program--50.0 FTE positions	6,190,000
22	Home heating assistance	2,101,300
23	Bottle bill implementation	250,000
24	New hire reporting	1,545,000
25	Tobacco tax collection--4.0 FTE positions	<u>332,000</u>
26	GROSS APPROPRIATION.....	\$ 71,039,200
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	IDG, data/collection services fees	50,900
3	IDG from MDHS	1,545,000
4	IDG from MDOT, Michigan transportation fund	4,746,300
5	IDG from MDOT, state aeronautics fund	64,700
6	Federal revenues:	
7	HHS-SSA, low-income energy assistance	2,101,300
8	Special revenue funds:	
9	Bottle deposit fund	250,000
10	Delinquent tax collection revenue	51,095,100
11	Tobacco tax collection and enforcement	316,600
12	Tobacco tax revenue	391,000
13	Waterways fund	75,900
14	State general fund/general purpose	\$ 10,402,400
15	(6) BANKING AND MANAGEMENT SERVICES (EFFECTIVE	
16	GOVERNMENT)	
17	Full-time equated classified positions	328.5
18	Human resources optimization user charges	\$ 82,900
19	Human resources, program management, and purchasing--	
20	30.0 FTE positions	3,039,000
21	Mail operations--20.0 FTE positions	2,077,900
22	Economic and revenue forecasting--15.5 FTE positions .	1,401,400
23	Unclaimed property--21.0 FTE positions	3,438,100
24	Collections--170.0 FTE positions	16,833,500
25	Finance and accounting--32.0 FTE positions	1,635,300
26	Receipts processing--40.0 FTE positions	<u>2,841,500</u>
27	GROSS APPROPRIATION	\$ 31,349,600

1	Appropriated from:		
2	Interdepartmental grant revenues:		
3	IDG data/collection service fees		204,400
4	IDG from MDHS, title IV-D		599,500
5	IDG, levy/warrant cost assessment fees		1,848,800
6	IDG, state agency collection fees		565,700
7	Special revenue funds:		
8	Delinquent tax collection revenue		14,960,400
9	Escheats revenue		3,438,100
10	Garnishment fees		509,900
11	Justice system fund		595,200
12	Treasury fees		181,100
13	State general fund/general purpose	\$	8,446,500
14	(7) FINANCIAL PROGRAMS (PREPARED FOR JOBS, EFFECTIVE		
15	GOVERNMENT)		
16	Full-time equated classified positions	213.0	
17	Investments--78.0 FTE positions	\$	14,426,700
18	Michigan education savings program		1,000,000
19	Michigan merit award administration--5.0 FTE positions		1,544,200
20	Common cash and debt management--11.5 FTE positions ..		1,201,500
21	Student financial assistance programs--118.5 FTE		
22	positions		<u>35,298,200</u>
23	GROSS APPROPRIATION	\$	53,470,600
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	IDG, fiscal agent service fees		167,700
27	Federal revenues:		

1	DED-OPSE, federal lenders allowance	10,289,000
2	DED-OPSE, higher education act of 1965, insured loans	22,983,100
3	Special revenue funds:	
4	College work-study	46,300
5	Michigan merit award trust fund	2,954,100
6	Retirement funds	13,341,600
7	School bond fees	590,900
8	Treasury fees	1,241,400
9	State general fund/general purpose	\$ 1,856,500
10	(8) DEBT SERVICE (RESOURCE CONSERVATION)	
11	Water pollution control bond and interest redemption .	\$ 2,458,200
12	Quality of life bond	59,300,000
13	Clean Michigan initiative	36,900,000
14	Great Lakes water quality bond	<u>1,500,000</u>
15	GROSS APPROPRIATION	\$ 100,158,200
16	Appropriated from:	
17	Special revenue funds:	
18	Refined petroleum fund	23,914,500
19	State general fund/general purpose	\$ 76,243,700
20	(9) GRANTS (THRIVING ECONOMY, EFFECTIVE GOVERNMENT,	
21	HEALTH, SAFETY)	
22	Grants to counties in lieu of taxes	\$ 5,000
23	Convention facility development distribution	58,850,000
24	Senior citizen cooperative housing tax exemption	
25	program	18,800,000
26	Commercial mobile radio service payments	7,830,000
27	Health and safety fund grants	25,000,000

1	Qualified agricultural loan payments.....		2,500,000
2	Renaissance zone reimbursement.....		<u>2,630,000</u>
3	GROSS APPROPRIATION.....	\$	115,615,000
4	Appropriated from:		
5	Special revenue funds:		
6	Commercial mobile radio service fees.....		7,830,000
7	Convention facility development fund.....		58,850,000
8	Health and safety fund.....		25,000,000
9	State general fund/general purpose.....	\$	23,935,000
10	(10) BUREAU OF STATE LOTTERY (THRIVING ECONOMY)		
11	Full-time equated classified positions.....	173.0	
12	Lottery operations--173.0 FTE positions.....	\$	19,326,100
13	Human resources optimization user charges.....		10,600
14	Promotion and advertising.....		18,622,000
15	Lottery information technology services and projects .		<u>4,497,300</u>
16	GROSS APPROPRIATION.....	\$	42,456,000
17	Appropriated from:		
18	Special revenue funds:		
19	State lottery fund.....		42,456,000
20	State general fund/general purpose.....	\$	0
21	(11) CASINO GAMING (THRIVING ECONOMY)		
22	Full-time equated classified positions.....	106.0	
23	Michigan gaming control board.....	\$	50,000
24	Casino gaming control administration--106.0 FTE		
25	positions		18,476,200
26	Human resources optimization user charges.....		7,000
27	Casino gaming information technology services and		

1	projects		<u>1,186,000</u>
2	GROSS APPROPRIATION.....	\$	19,719,200
3	Appropriated from:		
4	Special revenue funds:		
5	Casino gambling agreements.....		383,500
6	State services fee fund.....		19,335,700
7	State general fund/general purpose.....	\$	0
8	(12) REVENUE SHARING (EFFECTIVE GOVERNMENT)		
9	Constitutional state general revenue sharing grants ..	\$	708,080,000
10	Statutory state general revenue sharing grants		405,320,000
11	Special census revenue sharing payments		859,400
12	Special grants.....		212,000
13	SHARE grants.....		<u>15,190,100</u>
14	GROSS APPROPRIATION.....	\$	1,129,661,500
15	Appropriated from:		
16	Special revenue funds:		
17	Sales tax.....		1,113,400,000
18	State general fund/general purpose.....	\$	16,261,500
19	(13) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
20	Treasury operations information technology services		
21	and projects	\$	<u>16,533,100</u>
22	GROSS APPROPRIATION.....	\$	16,533,100
23	Appropriated from:		
24	Interdepartmental grant revenues:		
25	IDG from MDOT, Michigan transportation fund.....		253,700
26	Federal revenues:		
27	DED-OPSE, federal lender allowance		532,900

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1 Special revenue funds:

2	Delinquent tax collection revenue.....		10,183,000
3	Land reutilization fund.....		20,000
4	Michigan merit award trust fund.....		407,500
5	Retirement funds.....		647,100
6	State general fund/general purpose.....	\$	4,488,900
	[(14) TOBACCO SECURITIZATION ECONOMIC DEVELOPMENT		
	Life science technology.....	\$	<u>1,000,000</u>
	GROSS APPROPRIATION.....	\$	<u>\$1,000,000</u>
	Appropriated from:		
	Special revenue funds:		
	21st century jobs fund.....		1,000,000
	State general fund/general purpose.....	\$	0]

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 **GENERAL SECTIONS**

10 Sec. 201. (1) Pursuant to section 30 of article IX of the
 11 state constitution of 1963, total state spending from state
 12 resources under part 1 for fiscal year 2006-2007 is
 13 [\$2,297,110,800.00] and state spending from state resources to be
 14 paid to local units of government for fiscal year 2006-2007 is
 15 \$1,240,096,100.00. The itemized statement below identifies
 16 appropriations from which spending to local units of government
 17 will occur:

18 DEPARTMENT OF STATE

19	Fees to local units.....	\$	69,800
20	Motorcycle safety education grants.....		<u>1,092,000</u>
21	Subtotal.....	\$	1,161,800

22 DEPARTMENT OF TREASURY

23	Senior citizen cooperative housing tax exemption.....	\$	18,800,000
24	Grants to counties in lieu of taxes.....		5,000
25	Health and safety fund grants.....		25,000,000

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1	Constitutional state general revenue sharing grants ..	708,080,000
2	Statutory state general revenue sharing grants	405,320,000
3	Convention facility development fund distribution	58,850,000
4	Commercial mobile radio service payments	3,987,800
5	Renaissance zone reimbursements	2,630,000
6	Special grants	212,000
7	Special census revenue sharing payments	859,400
8	SHARE grants	<u>15,190,100</u>
9	Subtotal	\$ <u>1,238,934,300</u>
10	TOTAL GENERAL GOVERNMENT	\$ 1,240,096,100

11 (2) Pursuant to section 30 of article IX of the state
 12 constitution of 1963, total state spending from state sources for
 13 fiscal year 2006-2007 is estimated at [\$27,993,387,900.00] in the
 14 2006-2007 appropriations acts and total state spending from state
 15 sources paid to local units of government for fiscal year 2006-2007
 16 is estimated at \$16,029,076,300.00. The state-local proportion is
 17 estimated at 57.30% of total state spending from state resources.

18 (3) If payments to local units of government and state
 19 spending from state sources for fiscal year 2006-2007 are different
 20 than the amounts estimated in subsection (2), the state budget
 21 director shall report the payments to local units of government and
 22 state spending from state sources that were made for fiscal year
 23 2006-2007 to the senate and house of representatives standing
 24 committees on appropriations within 30 days after the final book-
 25 closing for fiscal year 2006-2007.

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

1 to 18.1594.

2 Sec. 203. As used in this article:

3 (a) "AFSCME" means American federation of state, county, and
4 municipal employees.

5 (b) "COBRA" means the consolidated omnibus budget
6 reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.

7 (c) "CPI" means consumer price index.

8 (d) "DAG" means the United States department of agriculture.

9 (e) "DED-OPSE" means the United States department of
10 education, office of postsecondary education.

11 (f) "DOL-ETA" means the United States department of labor,
12 employment and training administration.

13 (g) "DOL-OSHA" means the United States department of labor,
14 occupational safety and health administration.

15 (h) "EEOC" means the United States equal employment
16 opportunity commission.

17 (i) "EPA" means the United States environmental protection
18 agency.

19 (j) "FTE" means full-time equated.

20 (k) "GF/GP" means general fund/general purpose.

21 (l) "HHS" means the United States department of health and
22 human services.

23 (m) "HHS-OS" means the HHS office of the secretary.

24 (n) "HHS-SSA" means the HHS social security administration.

25 (o) "HUD" means the United States department of housing and
26 urban development.

27 (p) "IDG" means interdepartmental grant.

1 (q) "JCOS" means the joint capital outlay subcommittee.

2 (r) "MAIN" means the Michigan administrative information
3 network.

4 (s) "MCL" means the Michigan Compiled Laws.

5 (t) "MDCH" means the Michigan department of community health.

6 (u) "MDCS" means the Michigan department of civil service.

7 (v) "MDHS" means the Michigan department of human services.

8 (w) "MDLEG" means the Michigan department of labor and
9 economic growth.

10 (x) "MDMB" means the Michigan department of management and
11 budget.

12 (y) "MDOT" means the Michigan department of transportation.

13 (z) "MDSP" means the Michigan department of state police.

14 (aa) "MPES" means the Michigan professional employees society.

15 (bb) "PA" means public act.

16 (cc) "PACC" means the prosecuting attorneys coordinating
17 council.

18 (dd) "SHARE" means supplemental help for accountable results
19 and efficiencies.

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

25 Sec. 205. (1) A hiring freeze is imposed on the state
26 classified civil service. State departments and agencies are
27 prohibited from hiring any new full-time state classified civil

1 service employees and prohibited from filling any vacant state
2 classified civil service positions. This hiring freeze does not
3 apply to internal transfers of classified employees from 1 position
4 to another within a department.

5 (2) The attorney general and secretary of state may grant
6 exceptions to the hiring freeze for their respective departments
7 pursuant to the same criteria that the state budget director is
8 able to grant exceptions under this subsection. The state budget
9 director shall grant exceptions to this hiring freeze when the
10 state budget director believes that the hiring freeze will result
11 in rendering a state department or agency unable to deliver basic
12 services, cause loss of revenue to the state, result in the
13 inability of the state to receive federal funds, or necessitate
14 additional expenditures that exceed any savings from maintaining a
15 vacancy. The state budget director shall report quarterly to the
16 chairpersons of the senate and house of representatives standing
17 committees on appropriations the number of exceptions to the hiring
18 freeze approved during the previous quarter and the reasons to
19 justify the exception.

20 Sec. 208. Unless otherwise specified, departments and agencies
21 receiving appropriations in part 1 shall use the Internet to
22 fulfill the reporting requirements of this article. This
23 requirement may include transmission of reports via electronic mail
24 to the recipients identified for each reporting requirement, or it
25 may include placement of reports on an Internet or Intranet site.

26 Sec. 209. Funds appropriated in part 1 shall not be used for
27 the purchase of foreign goods or services, or both, if

competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

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. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, that provides for a transfer of state general funds into the countercyclical budget and economic stabilization fund, there is appropriated into the countercyclical budget and economic stabilization fund the sum of \$0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2005	2006
Michigan personal income (millions)	\$335,155	\$349,231
less: transfer payments	<u>51,360</u>	<u>54,698</u>
Subtotal	283,795	294,533
Divided by: Detroit CPI for 12 months		
ending June 30	1.878	1.937
Equals: Real adjusted Michigan personal		
income	\$151,116	\$152,082

1	Percentage change		0.6%
2	Percentage change in excess of 2%	0.1%	0.0%
3	Multiplied by: estimated GF/GP revenue in		
4	FY 2005-2006 (millions)		8,207.8
5	Equals: countercyclical budget and		
6	economic stabilization fund calculation		
7	for the fiscal year ending September 30,		
8	2007.....	\$0.0	\$0.0

9 Sec. 212. The departments and agencies receiving
10 appropriations in part 1 shall receive and retain copies of all
11 reports funded from appropriations in part 1. Federal and state
12 guidelines for short-term and long-term retention of records shall
13 be followed.

14 Sec. 213. Funds appropriated in part 1 shall not be used by
15 this state, a department, an agency, or an authority of this state
16 to purchase an ownership interest in a casino enterprise or a
17 gambling operation as those terms are defined in the Michigan
18 gaming control and revenue act, the Initiated Law of 1996, MCL
19 432.201 to 432.226.

20 Sec. 214. From the funds appropriated in part 1 for
21 information technology, departments and agencies shall pay user
22 fees to the department of information technology for technology-
23 related services and projects. Such user fees shall be subject to
24 provisions of an interagency agreement between the departments and
25 agencies and the department of information technology.

26 Sec. 215. A department or state agency shall not take
27 disciplinary action against an employee for communicating with a

1 member of the legislature or his or her staff.

2 Sec. 216. (1) Due to the current budgetary problems in this
3 state, out-of-state travel for the fiscal year ending September 30,
4 2007 shall be limited to situations in which 1 or more of the
5 following conditions apply:

6 (a) The travel is required by legal mandate or court order or
7 for law enforcement purposes.

8 (b) The travel is necessary to protect the health or safety of
9 Michigan citizens or visitors or to assist other states in similar
10 circumstances.

11 (c) The travel is necessary to produce budgetary savings or to
12 increase state revenues, including protecting existing federal
13 funds or securing additional federal funds.

14 (d) The travel is necessary to comply with federal
15 requirements.

16 (e) The travel is necessary to secure specialized training for
17 staff that is not available within this state.

18 (f) The travel is financed entirely by federal or nonstate
19 funds.

20 (2) If out-of-state travel is necessary but does not meet 1 or
21 more of the conditions in subsection (1), the state budget director
22 may grant an exception to allow the travel. Any exceptions granted
23 by the state budget director shall be reported on a monthly basis
24 to the senate and house of representatives standing committees on
25 appropriations.

26 (3) Not later than January 1 of each year, each department
27 shall prepare a travel report listing all travel by classified and

1 unclassified employees outside this state in the immediately
2 preceding fiscal year that was funded in whole or in part with
3 funds appropriated in the department's budget. The report shall be
4 submitted to the senate and house of representatives standing
5 committees on appropriations, the senate and house fiscal agencies,
6 and the state budget director. The report shall include the
7 following information:

8 (a) The name of each person receiving reimbursement for travel
9 outside this state or whose travel costs were paid by this state.

10 (b) The destination of each travel occurrence.

11 (c) The dates of each travel occurrence.

12 (d) A brief statement of the reason for each travel
13 occurrence.

14 (e) The transportation and related costs of each travel
15 occurrence, including the proportion funded with state general
16 fund/general purpose revenues, the proportion funded with state
17 restricted revenues, the proportion funded with federal revenues,
18 and the proportion funded with other revenues.

19 (f) A total of all out-of-state travel funded for the
20 immediately preceding fiscal year.

21 Sec. 217. General fund appropriations in this article shall
22 not be expended for items in cases where federal funding is
23 available for the same expenditures.

24 Sec. 220. Funds appropriated in this article shall not be used
25 to establish, operate, or administer a payroll deduction plan that
26 enables classified state employees to make contributions to either
27 a committee, as defined in section 3 of the Michigan campaign

1 finance act, 1976 PA 388, MCL 169.203, or a political organization,
2 as defined in section 527 of the internal revenue code.

3 **DEPARTMENT OF ATTORNEY GENERAL**

4 Sec. 302. (1) The attorney general shall perform all legal
5 services, including representation before courts and administrative
6 agencies rendering legal opinions and providing legal advice to a
7 principal executive department or state agency. A principal
8 executive department or state agency shall not employ or enter into
9 a contract with any other person for services described in this
10 section.

11 (2) The attorney general shall defend judges of all state
12 courts if a claim is made or a civil action is commenced for
13 injuries to persons or property caused by the judge through the
14 performance of the judge's duties while acting within the scope of
15 his or her authority as a judge.

16 (3) The attorney general shall perform the duties specified in
17 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to
18 14.102, and as otherwise provided by law.

19 Sec. 303. The attorney general may sell copies of the biennial
20 report in excess of the 350 copies that the attorney general may
21 distribute on a gratis basis. Gratis copies shall not be provided
22 to members of the legislature. Electronic copies of biennial
23 reports shall be made available on the department of attorney
24 general's website. The attorney general shall sell copies of the
25 report at not less than the actual cost of the report and shall
26 deposit the money received into the general fund.

1 Sec. 304. The department of attorney general is responsible
2 for the legal representation for state of Michigan state employee
3 worker's disability compensation cases. The risk management
4 revolving fund revenue appropriation in part 1 is to be satisfied
5 by billings from the department of attorney general for the actual
6 costs of legal representation, including salaries and support
7 costs.

8 Sec. 305. In addition to the funds appropriated in part 1, not
9 more than \$400,000.00 shall be reimbursed per fiscal year for food
10 stamp fraud cases heard by the third circuit court of Wayne County
11 that were initiated by the department of attorney general pursuant
12 to the existing contract between the department of human services,
13 the prosecuting attorneys association of Michigan, and the
14 department of attorney general. The source of this funding is money
15 earned by the department of attorney general under the agreement
16 after the allowance for reimbursement to the department of attorney
17 general for costs associated with the prosecution of food stamp
18 fraud cases. It is recognized that the federal funds are earned by
19 the department of attorney general for its documented progress on
20 the prosecution of food stamp fraud cases according to the United
21 States department of agriculture regulations and that once earned
22 by this state, the funds become state funds.

23 Sec. 306. Any proceeds from a lawsuit initiated by or
24 settlement agreement entered into on behalf of this state against a
25 manufacturer of tobacco products by the attorney general are state
26 funds and are subject to appropriation as provided by law.

27 Sec. 307. In addition to the antitrust revenues in part 1,

1 antitrust, securities fraud, consumer protection or class action
2 enforcement revenues, or attorney fees recovered by the department,
3 not to exceed \$1,000,000.00, are appropriated to the department for
4 antitrust, securities fraud, and consumer protection or class
5 action enforcement cases. Any unexpended funds from antitrust,
6 securities fraud, or consumer protection or class action
7 enforcement revenues at the end of the fiscal year, including
8 antitrust funds in part 1, shall be carried forward for expenditure
9 in the following fiscal year up to the maximum authorization of
10 \$1,000,000.00.

11 Sec. 308. (1) In addition to the funds appropriated in part 1,
12 there is appropriated up to \$500,000.00 from litigation expense
13 reimbursements awarded to the state.

14 (2) The funds may be expended for the payment of litigation
15 expenses, and settlements or attorney fees assessed against the
16 office of the governor, the department of the attorney general, the
17 governor, or the attorney general when acting in an official
18 capacity as the named party in litigation against the state. The
19 funds may also be expended for the payment of state costs incurred
20 under section 16 of chapter X of the code of criminal procedure,
21 1927 PA 175, MCL 770.16.

22 (3) Unexpended funds at the end of the fiscal year shall be
23 carried forward for expenditure in the following year, up to a
24 maximum authorization of \$500,000.00.

25 Sec. 309. From the prisoner reimbursement funds appropriated
26 in part 1, the department may spend up to \$445,800.00 on activities
27 related to the state correctional facilities reimbursement act,

1 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds
2 appropriated in part 1, if the department collects in excess of
3 \$1,131,000.00 in gross annual prisoner reimbursement receipts
4 provided to the general fund, the excess, up to a maximum of
5 \$1,000,000.00, is appropriated to the department of attorney
6 general and may be spent on the representation of the department of
7 corrections and its officers, employees, and agents, including, but
8 not limited to, the defense of litigation against the state, its
9 departments, officers, employees, or agents in civil actions filed
10 by prisoners. Any unexpended funds at the end of the fiscal year
11 shall be carried forward for expenditure in the following fiscal
12 year up to the maximum authorization of \$500,000.00.

13 Sec. 310. (1) For the purposes of providing title IV-D child
14 support enforcement funding, the department of human services, as
15 the state IV-D agency, shall maintain a cooperative agreement with
16 the attorney general for federal IV-D funding to support the child
17 support enforcement activities within the office of the attorney
18 general.

19 (2) The attorney general or his or her designee shall, to the
20 extent allowable under federal law, have access to any information
21 used by the state to locate parents who fail to pay court ordered
22 child support.

23 DEPARTMENT OF CIVIL RIGHTS

24 Sec. 402. (1) In addition to the appropriations contained in
25 part 1, the department of civil rights may receive and expend funds
26 from local or private sources for all of the following purposes:

1 (a) Developing and presenting training for employers on equal
2 employment opportunity law and procedures.

3 (b) The publication and sale of civil rights related
4 informational material.

5 (c) The provision of copy material made available under
6 freedom of information requests.

7 (d) Other copy fees, subpoena fees, and witness fees.

8 (e) Developing, presenting, and participating in mediation
9 processes for certain civil rights cases.

10 (f) Workshops, seminars, and recognition or award programs
11 consistent with the programmatic mission of the individual unit
12 sponsoring or coordinating the programs.

13 (2) The department of civil rights shall annually report to
14 the state budget director, the senate and house of representatives
15 standing committees on appropriations, and the senate and house
16 fiscal agencies the amount of funds received and expended for
17 purposes authorized under this section.

18 Sec. 403. The department of civil rights may contract with
19 local units of government to review equal employment opportunity
20 compliance of potential contractors and may charge for and expend
21 amounts received from local units of government for the purpose of
22 developing and providing these contractual services.

23 **DEPARTMENT OF CIVIL SERVICE**

24 Sec. 502. (1) All restricted funds shall be assessed a sum not
25 less than 1% of the total aggregate payroll paid from those funds
26 for financing the department of civil service on the basis of

1 actual 1% restricted sources total aggregate payroll of the
2 classified service for fiscal year 2006 in accordance with section
3 5 of article XI of the state constitution of 1963. This includes,
4 but is not limited to, restricted funds appropriated in part 1 of
5 any appropriations act. Unexpended 1% appropriated funds shall be
6 returned to each 1% fund source at the end of the fiscal year.

7 (2) The 1% appropriations in part 1 are estimates of actual 1%
8 charges based on payroll appropriations. With the approval of the
9 state budget director, the department is authorized to adjust
10 financing sources for civil service 1% charges based on actual
11 payroll expenditures, provided that such adjustments do not
12 increase the total appropriation for the department of civil
13 service.

14 (3) The 1% financing from restricted sources shall be credited
15 to the department of civil service by the end of the second fiscal
16 quarter.

17 Sec. 503. Except where specifically appropriated for this
18 purpose, 1% of the financing from restricted sources shall be
19 credited to the department of civil service. For restricted sources
20 of funding within the general fund that have the legislative
21 authority for carryover, if current spending authorization or
22 revenues are insufficient to accept the charge, the shortage shall
23 be taken from carryforward balances of that funding source.
24 Restricted revenue sources that do not have carryforward authority
25 shall be utilized to satisfy departmental operating deducts first
26 and civil service obligations second. General fund dollars are
27 appropriated for any shortfall, pursuant to approval by the state

1 budget director.

2 Sec. 504. The appropriation in part 1 to the department of
3 civil service, for state-sponsored group insurance, flexible
4 spending accounts, and COBRA, represents amounts, in part, included
5 within the various appropriations throughout state government for
6 the current fiscal year to fund the flexible spending account
7 program included within the department of civil service. Deposits
8 against state-sponsored group insurance, flexible spending
9 accounts, and COBRA for the flexible spending account program shall
10 be made from assessments levied during the current fiscal year in a
11 manner prescribed by the department of civil service. Unspent
12 employee contributions to the flexible spending accounts may be
13 used to offset administrative costs for the flexible spending
14 account program, with any remaining balance of unspent employee
15 contributions to be lapsed to the general fund.

16 **INFORMATION TECHNOLOGY**

17 Sec. 573. (1) The department of information technology may
18 sell and accept paid advertising for placement on any state website
19 under its jurisdiction. The department shall review and approve the
20 content of each advertisement. The department may refuse to accept
21 advertising from any person or organization or require modification
22 to advertisements based upon criteria determined by the department.
23 Revenue received under this subsection shall be used for operating
24 costs of the department and for future technology enhancements to
25 state of Michigan e-government initiatives. Funds received under
26 this subsection shall be limited to \$250,000.00. Any funds in

1 excess of \$250,000.00 shall be deposited in the state general fund.

2 (2) Funds accepted by the department of information technology
3 under subsection (1) are appropriated and allotted when received
4 and may be expended upon approval of the state budget director. The
5 state budget office shall notify the senate and house of
6 representatives standing committees on appropriations subcommittees
7 on general government and the senate and house fiscal agencies
8 within 10 days after the approval is given.

9 (3) By April 1, the department of information technology shall
10 report to the senate and house of representatives standing
11 committees on appropriations and the senate and house fiscal
12 agencies that a statement of the total revenue received from the
13 sale of paid advertising accepted under this section and a
14 statement of the total number of advertising transactions are
15 available on the department's website.

16 Sec. 574. The department of information technology may enter
17 into agreements to supply spatial information and technical
18 services to other principal executive departments, state agencies,
19 local units of government, and other organizations. The department
20 of information technology may receive and expend funds in addition
21 to those authorized in part 1 for providing information and
22 technical services, publications, maps, and other products. The
23 department of information technology may expend amounts received
24 for salaries, supplies, and equipment necessary to provide
25 informational products and technical services. Prior to December 1
26 of each year, the department shall provide a report to the senate
27 and house of representatives standing committees on appropriations

1 subcommittees on general government, detailing the sources of
2 funding and expenditures made under this section.

3 Sec. 575. The legislature shall have access to all historical
4 and current data contained within MAIN pertaining to state
5 departments. State departments shall have access to all historical
6 and current data contained within MAIN.

7 Sec. 576. When used in this article, "information technology
8 services" means services involving all aspects of managing and
9 processing information including, but not limited to, all of the
10 following:

11 (a) Application development and maintenance.

12 (b) Desktop computer support and management.

13 (c) Mainframe computer support and management.

14 (d) Server support and management.

15 (e) Local area network support and management.

16 (f) Information technology contract, project, and procurement
17 management.

18 (g) Information technology planning and budget management.

19 (h) Telecommunication services, security, infrastructure, and
20 support.

21 (i) Software and software licensing.

22 Sec. 577. (1) Funds appropriated in part 1 for the Michigan
23 public safety communications system shall be expended upon approval
24 of an expenditure plan by the state budget director.

25 (2) The department of information technology shall assess all
26 subscribers of the Michigan public safety communications system
27 reasonable access and maintenance fees.

1 (3) All money received by the department of information
2 technology under this section shall be expended for the support and
3 maintenance of the Michigan public safety communications system.

4 (4) The department of information technology shall provide a
5 report to the senate and house of representatives standing
6 committees on appropriations, the senate and house fiscal agencies,
7 and the state budget director on April 15 and on October 15,
8 indicating the amount of revenue collected under this section and
9 expended for support and maintenance of the Michigan public safety
10 communications system for the immediately preceding 6-month period.

11 Sec. 578. The department of information technology shall
12 submit a report for the immediately preceding fiscal year ending
13 September 30 to the senate and house of representatives standing
14 committees on appropriations subcommittees on general government
15 and the senate and house fiscal agencies by March 1. The report
16 shall include the following:

17 (a) The total amount of funding appropriated for information
18 technology services and projects, by funding source, for all
19 principal executive departments and agencies.

20 (b) A listing of the expenditures made from the amounts
21 received by the department of information technology, as reported
22 in subdivision (a).

23 Sec. 579. The department of information technology shall
24 provide a report that analyzes and makes recommendations on the
25 life-cycle of information technology hardware and software. The
26 report shall be submitted to the senate and house of
27 representatives standing committees on appropriations subcommittees

1 on general government and the senate and house fiscal agencies by
2 March 1.

3 Sec. 580. (1) From the funds appropriated in part 1 to general
4 services, for the department of state, there is appropriated
5 \$3,450,000.00 for the business application modernization project.
6 Funds shall only be used for the development, implementation, and
7 maintenance of the business application modernization project.

8 (2) The unexpended funds appropriated in part 1 for the
9 business application modernization project are designated as work
10 project appropriations and shall not lapse at the end of the fiscal
11 year. Any unencumbered or unallotted funds shall be carried over
12 into the succeeding fiscal year and shall continue to be available
13 for expenditure until the project has been completed. The total
14 cost is estimated at \$30,000,000.00, and the tentative completion
15 date is September 30, 2010.

16 Sec. 581. From the funds appropriated in part 1, the
17 department of information technology shall conduct a study of the
18 state's information technology assets, including hardware,
19 software, and networks to determine any benefits and economies that
20 can be achieved through, but not limited to, hardware and software
21 consolidation and standardization, process improvements, project
22 management improvements, and increased standards-based information
23 sharing between agencies. The department shall provide a report on
24 the findings of the study by March 1 to the senate and house of
25 representatives standing committees on appropriations subcommittees
26 on general government and the senate and house fiscal agencies. The
27 report shall summarize the top 10 initiatives that would provide

1 the most benefit to the state and the cost of implementing those
2 initiatives.

3 Sec. 585. The department shall provide a report that
4 calculates the total amount of funds expended for the child support
5 enforcement system to date from the inception of the program. The
6 report shall contain information on the original start and
7 completion dates for the project, the original cost to complete the
8 project, and a listing of all revisions to project completion dates
9 and costs. The report shall include the total amount of funds paid
10 to the federal government for penalties. The report shall be
11 submitted to the senate and house of representatives standing
12 committees on government operations, the senate and house of
13 representatives standing committees on appropriations subcommittees
14 on general government, and the senate and house fiscal agencies by
15 January 1.

16 **LEGISLATURE**

17 Sec. 600. The senate, the house of representatives, or an
18 agency within the legislative branch may receive, expend, and
19 transfer funds in addition to those authorized in part 1.

20 Sec. 601. (1) Funds appropriated in part 1 to an entity within
21 the legislative branch shall not be expended or transferred to
22 another account without written approval of the authorized agent of
23 the legislative entity. If the authorized agent of the legislative
24 entity notifies the state budget director of its approval of an
25 expenditure or transfer before the year-end book-closing date for
26 that legislative entity, the state budget director shall

1 immediately make the expenditure or transfer. The authorized
2 legislative entity agency shall be designated by the speaker of the
3 house of representatives for house entities, the senate majority
4 leader for senate entities, and the legislative council for
5 legislative council entities.

6 (2) Funds appropriated within the legislative branch, to a
7 legislative council component, shall not be expended by any agency
8 or other subgroup included in that component without the approval
9 of the legislative council.

10 Sec. 602. The senate may charge rent and assess charges for
11 utility costs. The amounts received for rent charges and utility
12 assessments are appropriated to the senate for the renovation,
13 operation, and maintenance of the Farnum building and other
14 properties.

15 Sec. 603. The appropriation contained in part 1 for national
16 association dues is to be distributed by the legislative council.

17 Sec. 604. (1) The appropriation in part 1 to the legislative
18 council includes funds to operate the legislative parking
19 facilities in the capitol area. The legislative council shall
20 establish rules regarding the operation of the legislative parking
21 facilities.

22 (2) The legislative council shall collect a fee from state
23 employees and the general public using certain legislative parking
24 facilities. The revenues received from the parking fees shall be
25 allocated by the legislative council.

26 Sec. 605. The appropriation in part 1 to the legislative
27 council for publication of the Michigan manual is a work project

1 account. The unexpended portion remaining on September 30 shall not
2 lapse and shall be carried forward into the subsequent fiscal year
3 for use in paying the associated biennial costs of publication of
4 the Michigan manual.

5 Sec. 606. The appropriations in part 1 to the legislative
6 branch, for property management, shall be used to purchase
7 equipment and services for building maintenance in order to ensure
8 a safe and productive work environment. These funds are designated
9 as work project appropriations and shall not lapse at the end of
10 the fiscal year, and shall continue to be available for expenditure
11 until the project has been completed. The total cost is estimated
12 at \$500,000.00, and the tentative completion date is September 30,
13 2007.

14 Sec. 607. The appropriations in part 1 to the legislative
15 branch, for automated data processing, shall be used to purchase
16 equipment, software, and services in order to support and implement
17 data processing requirements and technology improvements. These
18 funds are designated as work project appropriations and shall not
19 lapse at the end of the fiscal year, and shall continue to be
20 available for expenditure until the project has been completed. The
21 total cost is estimated at \$500,000.00, and the tentative
22 completion date is September 30, 2007.

23 Sec. 608. In addition to funds appropriated in part 1, the
24 Michigan capitol committee publications save the flags fund account
25 may accept contributions, gifts, bequests, devises, grants, and
26 donations. Those funds that are not expended in the fiscal year
27 ending September 30 shall not lapse at the close of the fiscal

1 year, and shall be carried forward for expenditure in the following
2 fiscal years.

3 Sec. 610. The funds appropriated in part 1 shall not be used
4 to pay for health insurance benefits for unmarried domestic
5 partners of legislators or legislative employees.

6 **OFFICE OF THE AUDITOR GENERAL**

7 Sec. 620. Pursuant to section 53 of article IV of the state
8 constitution of 1963, the auditor general shall conduct audits of
9 the judicial branch. The audits may include the supreme court and
10 its administrative units, the court of appeals, and trial courts.

11 Sec. 621. (1) The auditor general shall take all reasonable
12 steps to ensure that certified minority- and women-owned and
13 operated accounting firms, and accounting firms owned and operated
14 by persons with disabilities participate in the audits of the
15 books, accounts, and financial affairs of each principal executive
16 department, branch, institution, agency, and office of this state.

17 (2) The auditor general shall strongly encourage firms with
18 which the auditor general contracts to perform audits of the
19 principal executive departments and state agencies to subcontract
20 with certified minority- and women-owned and operated accounting
21 firms, and accounting firms owned and operated by persons with
22 disabilities.

23 (3) The auditor general shall compile an annual report
24 regarding the number of contracts entered into with certified
25 minority- and women-owned and operated accounting firms, and
26 accounting firms owned and operated by persons with disabilities.

1 The auditor general shall deliver the report to the state budget
2 director and the senate and house of representatives standing
3 committees on appropriations subcommittees on general government by
4 November 1 of each year.

5 Sec. 622. From the funds appropriated in part 1 to the office
6 of the auditor general, the auditor general's salary and the
7 salaries of the remaining 2.0 FTE unclassified positions shall be
8 set by the speaker of the house of representatives, the senate
9 majority leader, the house of representatives minority leader, and
10 the senate minority leader.

11 Sec. 623. Any audits, reviews, or investigations requested of
12 the auditor general by the legislature or by legislative
13 leadership, legislative committees, or individual legislators shall
14 include an estimate of the additional costs involved and, when
15 those costs exceed \$50,000.00, should provide supplemental funding.
16 The auditor general shall determine whether to perform those
17 activities in keeping with Audit Directive No. 29, which describes
18 the office of the auditor general's policy on responding to
19 legislative requests.

20 **DEPARTMENT OF MANAGEMENT AND BUDGET**

21 Sec. 702. Proceeds in excess of necessary costs incurred in
22 the conduct of transfers or auctions of state surplus, salvage, or
23 scrap property made pursuant to section 267 of the management and
24 budget act, 1984 PA 431, MCL 18.1267, are appropriated to the
25 department of management and budget to offset costs incurred in the
26 acquisition and distribution of federal surplus property.

1 Sec. 704. (1) The department of management and budget may
2 receive and expend funds in addition to those authorized by part 1
3 for maintenance and operation services provided specifically to
4 other principal executive departments or state agencies, the
5 legislative branch, the judicial branch, or private tenants, or
6 provided in connection with facilities transferred to the
7 operational jurisdiction of the department of management and
8 budget.

9 (2) The department of management and budget may receive and
10 expend funds in addition to those authorized by part 1 for real
11 estate, architectural, design, and engineering services provided
12 specifically to other principal executive departments or state
13 agencies, the legislative branch, or the judicial branch.

14 (3) The department of management and budget may receive and
15 expend funds in addition to those authorized in part 1 for mail
16 pickup and delivery services provided specifically to other
17 principal executive departments and state agencies, the legislative
18 branch, or the judicial branch.

19 (4) The department of management and budget may receive and
20 expend funds in addition to those authorized in part 1 for
21 purchasing services provided specifically to other principal
22 executive departments and state agencies, the legislative branch,
23 or the judicial branch.

24 Sec. 705. (1) The source of financing in part 1 for statewide
25 appropriations shall be funded by assessments against longevity and
26 insurance appropriations throughout state government in a manner
27 prescribed by the department of management and budget. Funds shall

1 be used as specified in joint labor/management agreements or
2 through the coordinated compensation hearings process. Any deposits
3 made under this subsection and any unencumbered funds are
4 restricted revenues, may be carried over into the succeeding fiscal
5 years, and are appropriated.

6 (2) In addition to the funds appropriated in part 1 for
7 statewide appropriations, the department of management and budget
8 may receive and expend funds in such additional amounts as may be
9 specified in joint labor/management agreements or through the
10 coordinated compensation hearings process in the same manner and
11 subject to the same conditions as prescribed in subsection (1).

12 Sec. 706. To the extent a specific appropriation is required
13 for a detail source of financing included in part 1 for the
14 department of management and budget appropriations financed from
15 special revenue and internal service and pension trust funds, or
16 MAIN user charges, the specific amounts are appropriated within the
17 special revenue internal service and pension trust funds in
18 portions not to exceed the aggregate amount appropriated in part 1.

19 Sec. 707. In addition to the funds appropriated in part 1 to
20 the department of management and budget, the department may receive
21 and expend funds from other principal executive departments and
22 state agencies to implement donated annual leave and administrative
23 leave bank transfer provisions as may be specified in joint
24 labor/management agreements. The amounts may also be transferred to
25 other principal executive departments and state agencies under the
26 joint agreement and any amounts transferred under the joint
27 agreement are authorized for receipt and expenditure by the

1 receiving principal executive department or state agency. Any
2 amounts received by the department of management and budget under
3 this section and intended, under the joint labor/management
4 agreements, to be available for use beyond the close of the fiscal
5 year and any unencumbered funds may be carried over into the
6 succeeding fiscal year.

7 Sec. 708. The source of financing in part 1 for the Michigan
8 administrative information network shall be funded by proportionate
9 charges assessed against the respective state funds benefiting from
10 this project in the amounts determined by the department.

11 Sec. 709. (1) Deposits against the interdepartmental grant
12 from building occupancy and parking charges appropriated in part 1
13 shall be collected, in part, from state agencies, the legislative
14 branch, and the judicial branch based on estimated costs associated
15 with maintenance and operation of buildings managed by the
16 department of management and budget. To the extent excess revenues
17 are collected due to estimates of building occupancy charges
18 exceeding actual costs, the excess revenues may be carried forward
19 into succeeding fiscal years for the purpose of returning funds to
20 state agencies.

21 (2) Appropriations in part 1 to the department of management
22 and budget, for management and budget services from building
23 occupancy charges and parking charges, may be increased to return
24 excess revenue collected to state agencies.

25 Sec. 710. The department of management and budget shall notify
26 the chairpersons of the senate and house of representatives
27 standing committees on appropriations and the chairpersons of the

1 senate and house of representatives standing committees on
2 appropriations subcommittees on general government on any revisions
3 that increase or decrease current contracts by more than
4 \$500,000.00 for computer software development, hardware
5 acquisition, or quality assurance at least 14 days before the
6 department of management and budget finalizes the revisions.

7 Sec. 711. The department of management and budget shall
8 maintain an Internet website that contains notice of all
9 invitations for bids and requests for proposals over \$50,000.00
10 issued by the department or by any state agency operating under
11 delegated authority. The department shall not accept an invitation
12 for bid or request for proposal in less than 14 days after the
13 notice is made available on the Internet website, except in
14 situations where it would be in the best interest of the state and
15 documented by the department. In addition to the requirements of
16 this section, the department may advertise the invitations for bids
17 and requests for proposals in any manner the department determines
18 appropriate, in order to give the greatest number of individuals
19 and businesses the opportunity to make bids or requests for
20 proposals.

21 Sec. 712. The department of management and budget may receive
22 and expend funds from the Vietnam veterans memorial monument fund
23 as provided in the Michigan Vietnam veterans memorial act, 1988 PA
24 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated
25 when received and may be expended upon receipt.

26 Sec. 713. The Michigan veterans' memorial park commission may
27 receive and expend money from any source, public or private,

1 including, but not limited to, gifts, grants, donations of money,
2 and government appropriations, for the purposes described in
3 Executive Order No. 2001-10. Funds are appropriated and allocated
4 when received and may be expended upon receipt. Any deposits made
5 under this section and unencumbered funds are restricted revenues
6 and may be carried over into succeeding fiscal years.

7 Sec. 715. (1) Funds in part 1 for motor vehicle fleet are
8 appropriated to the department of management and budget for
9 administration and for the acquisition, lease, operation,
10 maintenance, repair, replacement, and disposal of state motor
11 vehicles.

12 (2) The appropriation in part 1 for motor vehicle fleet shall
13 be funded by revenue from rates charged to principal executive
14 departments and agencies for utilizing vehicle travel services
15 provided by the department. Revenue in excess of the amount
16 appropriated in part 1 from the motor transport fund and any
17 unencumbered funds are restricted revenues and may be carried over
18 into the succeeding fiscal year.

19 (3) It is the intent of the legislature that the department of
20 management and budget have the authority to determine the
21 appropriateness of vehicle assignment, to include year, make,
22 model, size, and price of vehicle. The department may assign motor
23 vehicles, permanently or temporarily, to state agencies and to
24 institutions of higher education.

25 (4) It is the intent of the legislature that the department
26 will determine the feasibility of using driver record information
27 upon the issuance of state cars to state employees in order to

1 ensure responsibility and safety.

2 (5) Pursuant to the department of management and budget's
3 authority under sections 213 and 215 of the management and budget
4 act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall
5 develop a plan regarding the motor vehicle fleet. The plan shall
6 include the number of vehicles assigned to, or authorized for use
7 by, state departments and agencies, efforts to reduce vehicle
8 expenditures, the number of cars in the motor vehicle fleet, the
9 number of miles driven by fleet vehicles, and the number of gallons
10 of fuel consumed by fleet vehicles. The plan shall include a
11 calculation of the amount of state motor vehicle fuel taxes that
12 would have been incurred by fleet vehicles if fleet vehicles were
13 required by law to pay motor fuel taxes. The plan shall include a
14 description of fleet garage operations, the goods sold and services
15 provided by the fleet garage, the cost to operate the fleet garage,
16 the number of fleet garage locations, and the number of employees
17 assigned to each fleet garage. The plan may be adjusted during the
18 fiscal year based on needs and cost savings to achieve the maximum
19 value and efficiency from the state motor fleet. Within 60 days
20 after the close of the fiscal year, the department shall provide a
21 report to the senate and house of representatives standing
22 committees on appropriations and the senate and house fiscal
23 agencies detailing the current plan and changes made to the plan
24 during the fiscal year.

25 (6) The department of management and budget may charge state
26 agencies for fuel cost increases that exceed \$2.27 per gallon of
27 unleaded gasoline. Revenues received from these charges are

1 appropriated upon receipt.

2 Sec. 716. The department of management and budget shall adopt
3 policies and procedures necessary for compliance by the department,
4 other state departments and agencies, and state vendors and
5 subcontractors, with the requirement under subsection (1) of
6 section 261 of the management and budget act, 1984 PA 431, MCL
7 181.261, to provide a purchasing preference for products
8 manufactured or services offered by Michigan-based firms.

9 Sec. 717. In determining whether the purchase, contracting
10 for, providing of supplies, materials, services, insurance,
11 utilities, third-party financing, equipment, printing, and other
12 items needed by state departments or agencies is in the best
13 interests of this state, and in making all discretionary decisions
14 concerning the solicitation, award, amendment, cancellation, or
15 appeal of state contracts, the department of management and budget
16 shall consider all of the following:

17 (a) Whether a proposal by a vendor to provide services to this
18 state using employees, contractors, subcontractors, or other
19 individuals who are not citizens of the United States, legal
20 resident aliens, or individuals with a valid visa would be
21 detrimental to the state of Michigan, its residents, or the state's
22 economy.

23 (b) Whether a proposal by a vendor to provide services to this
24 state from a location outside of this state or the United States
25 would be detrimental to the state of Michigan, its residents, or
26 the state's economy.

27 (c) Whether a proposal by a vendor to provide goods to this

1 state produced outside of this state or the United States would be
2 detrimental to the state of Michigan, its residents, or the state's
3 economy.

4 (d) Whether the acquisition of goods or services from a vendor
5 that is an expatriated business entity located in a tax haven
6 country or an affiliate of an expatriated business entity located
7 in a tax haven country would be detrimental to the state of
8 Michigan, its residents, or the state's economy. As used in this
9 section, "expatriated business entity" means a corporation or an
10 affiliate of the corporation incorporated in a tax haven country
11 after September 11, 2001, but with the United States as the
12 principal market for the public trading of the corporation's stock,
13 as determined by the director of the department of management and
14 budget. "Tax haven country" means each of the following: Barbados,
15 Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of
16 the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of
17 Liechtenstein, the Principality of Monaco, and the Republic of the
18 Seychelles.

19 (e) Whether the provision of services to this state at a
20 location outside of this state or the United States would be
21 detrimental to the privacy interests of Michigan residents, or risk
22 the disclosure of personal information of Michigan residents, such
23 as social security, financial, or medical data.

24 (f) Whether a proposal by a vendor to provide services to this
25 state from a location outside of this state or the United States
26 would constitute undue risk under a risk management policy,
27 practice, or procedure adopted by the department of management and

1 budget under section 204 of the management and budget act, 1984 PA
2 431, MCL 18.1204.

3 (g) Whether a proposal by a vendor to provide goods to this
4 state produced outside of this state or the United States would
5 constitute undue risk under a risk management policy, practice, or
6 procedure adopted by the department of management and budget under
7 section 204 of the management and budget act, 1984 PA 431, MCL
8 18.1204.

9 Sec. 718. The department of management and budget shall
10 collect from vendors information necessary to comply with the
11 requirements of this article, as determined by the department. The
12 department of management and budget may require vendors to provide
13 any of the following:

14 (a) Information relating to the location of work performed
15 under a state contract by the vendor and any subcontractors,
16 employees, or other persons performing a state contract.

17 (b) Information regarding the corporate structure and location
18 of corporate employees and activities of the vendor, its
19 affiliates, or any subcontractors.

20 (c) Notice of the relocation of the vendor, employees of the
21 vendor, subcontractors of the vendor, or other persons performing
22 services under a state contract outside of the state of Michigan.

23 Sec. 719. The department of management and budget may require
24 that any vendor or subcontractor providing call or contact center
25 services to the state of Michigan disclose to inbound callers the
26 location from which the call or contact center services are being
27 provided.

1 Sec. 721. In addition to the funds appropriated in part 1, the
2 department of management and budget may receive and expend money
3 from the Michigan law enforcement officers memorial monument fund
4 as provided in the Michigan law enforcement officers memorial act,
5 2004 PA 177, MCL 28.781 to 28.787.

6 Sec. 722. In addition to the funds appropriated in part 1, the
7 department of management and budget may receive and expend money
8 from the Ronald Wilson Reagan memorial monument fund as provided in
9 the Ronald Wilson Reagan memorial monument fund commission act,
10 2004 PA 489, MCL 399.261 to 399.266.

11 Sec. 723. The department shall make available to the public a
12 list of all parcels of real property owned by the state that are
13 available for purchase. The list shall be posted on the Internet
14 through the department's website.

15 STATE BUILDING AUTHORITY

16 Sec. 725. (1) Subject to section 242 of the management and
17 budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the
18 state building authority, the department may expend from the
19 general fund of the state during the fiscal year ending September
20 30, 2007 an amount to meet the cash flow requirements of those
21 state building authority projects solely for lease to a state
22 agency identified in both part 1 and this section, and for which
23 state building authority bonds or notes have not been issued, and
24 for the sole acquisition by the state building authority of
25 equipment and furnishings for lease to a state agency as permitted
26 by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of

1 bonds or notes is authorized by a legislative concurrent resolution
2 that is effective for the fiscal year ending September 30, 2007.

3 Any general fund advances for which state building authority bonds
4 have not been issued shall bear an interest cost to the state
5 building authority at a rate not to exceed that earned by the state
6 treasurer's common cash fund during the period in which the
7 advances are outstanding and are repaid to the general fund of the
8 state.

9 (2) Upon sale of bonds or notes for the projects identified in
10 part 1 or for equipment as authorized by legislative concurrent
11 resolution and in this section, the state building authority shall
12 credit the general fund of the state an amount equal to that
13 expended from the general fund plus interest, if any, as defined in
14 this section.

15 (3) For state building authority projects for which bonds or
16 notes have been issued and upon the request of the state building
17 authority, the state treasurer shall make advances without interest
18 from the general fund as necessary to meet cash flow requirements
19 for the projects, which advances shall be reimbursed by the state
20 building authority when the investments earmarked for the financing
21 of the projects mature.

22 (4) In the event that a project identified in part 1 is
23 terminated after final design is complete, advances made on behalf
24 of the state building authority for the costs of final design shall
25 be repaid to the general fund in a manner recommended by the
26 director and approved by the JCOS.

27 Sec. 726. (1) State building authority funding to finance

1 construction or renovation of a facility that collects revenue in
2 excess of money required for the operation of that facility shall
3 not be released to a university or community college unless the
4 institution agrees to reimburse that excess revenue to the state
5 building authority. The excess revenue shall be credited to the
6 general fund to offset rent obligations associated with the
7 retirement of bonds issued for that facility. The auditor general
8 shall annually identify and present an audit of those facilities
9 that are subject to this section. Costs associated with the
10 administration of the audit shall be charged against money
11 recovered pursuant to this section.

12 (2) As used in this section, "revenue" includes state
13 appropriations, facility opening money, other state aid, indirect
14 cost reimbursement, and other revenue generated by the activities
15 of the facility.

16 Sec. 727. (1) The state building authority rent appropriations
17 in part 1 may also be expended for the payment of required premiums
18 for insurance on facilities owned by the state building authority
19 or payment of costs that may be incurred as the result of any
20 deductible provisions in such insurance policies.

21 (2) If the amount appropriated in part 1 for state building
22 authority rent is not sufficient to pay the rent obligations and
23 insurance premiums and deductibles identified in subsection (1) for
24 state building authority projects, there is appropriated from the
25 general fund of the state the amount necessary to pay such
26 obligations.

27 Sec. 728. The department of management and budget shall

1 provide the JCOS and the senate and house fiscal agencies a report
2 relative to the status of construction projects associated with
3 state building authority bonds as of September 30 of each year, on
4 or before October 15, or not more than 30 days after a refinancing
5 or restructuring bond issue is sold. The report shall include, but
6 is not limited to, the following:

7 (a) A list of all completed construction projects for which
8 state building authority bonds have been sold, and which bonds are
9 currently active.

10 (b) A list of all projects under construction for which sale
11 of state building authority bonds is pending.

12 (c) A list of all projects authorized for construction or
13 identified in an appropriations act for which approval of
14 schematic/preliminary plans or total authorized cost is pending
15 that have state building authority bonds identified as a source of
16 financing.

17 **DEPARTMENT OF STATE**

18 Sec. 802. All funds made available by section 3171 of the
19 insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated
20 and made available to the department of state to be expended only
21 for the uses and purposes for which the funds are received as
22 provided by sections 3171 to 3177 of the insurance code of 1956,
23 1956 PA 218, MCL 500.3171 to 500.3177.

24 Sec. 803. From the funds appropriated in part 1, the
25 department of state shall sell copies of records including, but not
26 limited to, records of motor vehicles, off-road vehicles,

1 snowmobiles, watercraft, mobile homes, personal identification
2 cardholders, drivers, and boat operators and shall charge \$7.00 per
3 record sold only as authorized in section 208b of the Michigan
4 vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222,
5 MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the
6 natural resources and environmental protection act, 1994 PA 451,
7 MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue
8 received from the sale of records shall be credited to the
9 transportation administration collection fund created under section
10 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

11 Sec. 804. From the funds appropriated in part 1, the secretary
12 of state may enter into agreements with the department of
13 corrections for the manufacture of vehicle registration plates 15
14 months before the registration year in which the registration
15 plates will be used.

16 Sec. 805. (1) The department of state may accept gifts,
17 donations, contributions, and grants of money and other property
18 from any private or public source to underwrite, in whole or in
19 part, the cost of a departmental publication that is prepared and
20 disseminated under the Michigan vehicle code, 1949 PA 300, MCL
21 257.1 to 257.923. A private or public funding source may receive
22 written recognition in the publication and may furnish a traffic
23 safety message, subject to departmental approval, for inclusion in
24 the publication. The department may reject a gift, donation,
25 contribution, or grant. The department may furnish copies of a
26 publication underwritten, in whole or in part, by a private source
27 to the underwriter at no charge.

1 (2) The department of state may sell and accept paid
2 advertising for placement in a departmental publication that is
3 prepared and disseminated under the Michigan vehicle code, 1949 PA
4 300, MCL 257.1 to 257.923. The department may charge and receive a
5 fee for any advertisement appearing in a departmental publication
6 and shall review and approve the content of each advertisement. The
7 department may refuse to accept advertising from any person or
8 organization. The department may furnish a reasonable number of
9 copies of a publication to an advertiser at no charge.

10 (3) Pending expenditure, the funds received under this section
11 shall be deposited in the Michigan department of state publications
12 fund created by section 211 of the Michigan vehicle code, 1949 PA
13 300, MCL 257.211. Funds given, donated, or contributed to the
14 department from a private source are appropriated and allocated for
15 the purpose for which the revenue is furnished. Funds granted to
16 the department from a public source are allocated and may be
17 expended upon receipt. The department shall not accept a gift,
18 donation, contribution, or grant if receipt is conditioned upon a
19 commitment of state funding at a future date. Revenue received from
20 the sale of advertising is appropriated and may be expended upon
21 receipt.

22 (4) Any unexpended revenues received under this section shall
23 be carried over into subsequent fiscal years and shall be available
24 for appropriation for the purposes described in this section.

25 (5) On March 1 of each year, the department of state shall
26 file a report with the senate and house of representatives standing
27 committees on appropriations, the senate and house fiscal agencies,

1 and the state budget director. The report shall include all of the
2 following information:

3 (a) The amount of gifts, contributions, donations, and grants
4 of money received by the department under this section for the
5 prior fiscal year.

6 (b) A listing of the expenditures made from the amounts
7 received by the department as reported in subdivision (a).

8 (c) A listing of any gift, donation, contribution, or grant of
9 property other than funding received by the department under this
10 section for the prior year.

11 (d) The total revenue received from the sale of paid
12 advertising accepted under this section and a statement of the
13 total number of advertising transactions.

14 (6) In addition to copies delivered without charge as the
15 secretary of state considers necessary, the department of state may
16 sell copies of manuals and other publications regarding the sale,
17 ownership, or operation or regulation of motor vehicles, with
18 amendments, at prices to be established by the secretary of state.
19 As used in this subsection, the term "manuals and other
20 publications" includes videos and proprietary electronic
21 publications. All funds received from sales of these manuals and
22 other publications shall be credited to the Michigan department of
23 state publications fund.

24 Sec. 806. Funds collected by the department of state under
25 section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211,
26 are appropriated for all expenses necessary to provide for the
27 costs of the publication. Funds are allotted for expenditure when

1 they are received by the department of treasury and shall not lapse
2 to the general fund at the end of the fiscal year.

3 Sec. 807. From the funds appropriated in part 1, the
4 department of state shall use available balances at the end of the
5 state fiscal year to provide payment to the department of state
6 police in the amount of \$321,900.00 for the services provided by
7 the traffic accident records program as first appropriated in 1990
8 PA 196 and 1990 PA 208.

9 Sec. 808. From the funds appropriated in part 1, the
10 department of state may restrict funds from miscellaneous revenue
11 to cover cash shortages created from normal branch office
12 operations. This amount shall not exceed \$50,000.00 of the total
13 funds available in miscellaneous revenue.

14 Sec. 809. (1) Commemorative and specialty license plate fee
15 revenue collected by the department of state and deposited into the
16 transportation administration collection fund is authorized for
17 expenditure up to the amount of revenue collected but not to exceed
18 the amount appropriated to the department of state in part 1 to
19 administer commemorative and specialty license plate programs.

20 (2) Commemorative and specialty license plate fee revenue
21 collected by the department of state and deposited in the
22 transportation administration collection fund, in addition to the
23 amount appropriated in part 1 to the department of state, shall
24 remain in the transportation administration collection fund and be
25 available for future appropriation.

26 Sec. 810. (1) Collector plate and fund-raising registration
27 plate revenues collected by the department of state are

1 appropriated and allotted for distribution to the recipient
2 university or public or private agency overseeing a state-sponsored
3 goal when received. Distributions shall occur on a quarterly basis
4 or as otherwise authorized by law. Any revenues remaining at the
5 end of the fiscal year shall not lapse to the general fund but
6 shall remain available for distribution to the university or agency
7 in the next fiscal year.

8 (2) Funds or revenues in the Olympic education training center
9 fund are appropriated for distribution to the Olympic education
10 training center at Northern Michigan University. Distributions
11 shall occur on a quarterly basis. Any undistributed revenue
12 remaining at the end of the fiscal year shall be carried over into
13 the next fiscal year.

14 Sec. 811. The department of state may produce and sell copies
15 of a training video designed to inform registered automotive repair
16 facilities of their obligations under Michigan law. The price shall
17 not exceed the cost of production and distribution. The money
18 received from the sale of training videos shall revert to the
19 department of state and be placed in the auto repair facility
20 account.

21 Sec. 812. (1) The department of state, in collaboration with
22 the gift of life transplantation society or its successor federally
23 designated organ procurement organization, may develop and
24 administer a public information campaign concerning the Michigan
25 organ donor program.

26 (2) The department may solicit funds from any private or
27 public source to underwrite, in whole or in part, the public

1 information campaign authorized by this section. The department may
2 accept gifts, donations, contributions, and grants of money and
3 other property from private and public sources for this purpose. A
4 private or public funding source underwriting the public
5 information campaign, in whole or in substantial part, shall
6 receive sponsorship credit for its financial backing.

7 (3) Funds received under this section, including grants from
8 state and federal agencies, shall not lapse to the general fund at
9 the end of the fiscal year but shall remain available for
10 expenditure for the purposes described in this section.

11 (4) Funding appropriated in part 1 for the organ donor program
12 shall be used for producing a pamphlet to be distributed with
13 driver licenses and personal identification cards regarding organ
14 donations. The funds shall be used to update and print a pamphlet
15 that will explain the organ donor program and encourage people to
16 become donors by marking a checkoff on driver license and personal
17 identification card applications.

18 (5) The pamphlet shall include a return reply form addressed
19 to the gift of life organization. Funding appropriated in part 1
20 for the organ donor program shall be used to pay for return postage
21 costs.

22 (6) In addition to the appropriations in part 1, the
23 department of state may receive and expend funds from the organ and
24 tissue donation education fund for administrative expenses.

25 Sec. 815. At least 60 days prior to the announcement of
26 secretary of state branch office closings, consolidations, or
27 relocations, the department of state shall inform members of the

1 senate and house of representatives standing committees on
2 appropriations and legislators who represent affected areas
3 regarding the details of the proposal. The information provided
4 shall be in written form and include all analysis done regarding
5 criteria for changes in the location of branch offices, including,
6 but not limited to, branch transactions, revenue, and the impact on
7 citizens of the affected area. The impact on citizens shall include
8 information regarding additional distance to branch office
9 locations resulting from the plan. The written notice provided by
10 the department of state shall also include detailed estimates of
11 costs and savings that will result from the overall changes made to
12 the branch office structure.

13 Sec. 815a. By December 15, the department of state shall
14 report to the senate and house of representatives standing
15 committees on appropriations subcommittees on general government
16 and the senate and house fiscal agencies the number of branch
17 office transactions completed online by Michigan residents in the
18 immediately preceding fiscal year.

19 Sec. 816. (1) Any service assessment collected by the
20 department of state from the user of a credit or debit card under
21 section 3 of 1995 PA 144, MCL 11.23, is appropriated to the
22 department for necessary expenses related to that service and may
23 be remitted to a credit or debit card company, bank, or other
24 financial institution. Funds are allocated for expenditure when
25 they are received by the department of treasury.

26 (2) The service assessment imposed by the department of state
27 for credit and debit card services may be based either on a

1 percentage of each individual credit or debit card transaction, or
2 on a flat rate per transaction, or both scaled to the amount of the
3 transaction. However, the department shall not charge any amount
4 for a service assessment which exceeds the costs billable to the
5 department for service assessments.

6 (3) If there is a balance of service assessments received from
7 credit and debit card services remaining on September 30, the
8 balance may be carried forward to the following fiscal year and
9 appropriated for the same purpose.

10 (4) As used in this section, "service assessment" means and
11 includes costs associated with service fees imposed by credit and
12 debit card companies and processing fees imposed by banks and other
13 financial institutions.

14 Sec. 818. (1) Funds in part 1 for motorcycle safety education
15 grants and administration are appropriated to the department of
16 state for operation of the motorcycle safety education program
17 previously operated by the department of education under section
18 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

19 (2) Funds in part 1 for motorcycle safety education grants and
20 administration shall be derived from original and renewal
21 motorcycle license endorsements, annual motorcycle registration
22 fees, and motorcycle operator driving test fees.

23 (3) Funds in part 1 for motorcycle safety education grants and
24 administration shall be used to provide grants to colleges,
25 universities, intermediate school districts, local school
26 districts, law enforcement agencies, or other governmental agencies
27 located in the state, to help subsidize safety training courses for

1 individuals interested in operating motorcycles.

2 (4) Funds in part 1 for motorcycle safety education grants and
3 administration may be used by the department of state for
4 administration costs of the motorcycle safety education program, to
5 include, but not be limited to, review and approval or disapproval
6 of grant applications, monitoring eligibility of motorcycle safety
7 instructors, conducting program evaluation, certifying third-party
8 testers, and inspecting training sites.

9 Sec. 819. (1) From the funds appropriated in part 1 to the
10 department of state for information technology services and
11 projects, there is appropriated \$3,450,000.00 for the business
12 application modernization project. Funds shall only be used for the
13 development, implementation, and maintenance of the business
14 application modernization project.

15 (2) The unexpended funds appropriated in part 1 for the
16 business application modernization project are designated as work
17 project appropriations and shall not lapse at the end of the fiscal
18 year. Any unencumbered or unallotted funds shall be carried over
19 into the succeeding fiscal year and shall continue to be available
20 for expenditure until the project has been completed. The total
21 cost is estimated at \$30,000,000.00, and the tentative completion
22 date is September 30, 2010.

23 **DEPARTMENT OF TREASURY**

24 **OPERATIONS**

25 Sec. 902. (1) Amounts needed to pay for interest, fees,
26 principal, arbitrage rebates as required by federal law, and costs

1 associated with the payment, registration, trustee services, credit
2 enhancements, and issuing costs in excess of the amount
3 appropriated to the department of treasury in part 1 for debt
4 service on notes and bonds that are issued by the state under
5 sections 14, 15, and 16 of article IX of the state constitution of
6 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are
7 appropriated.

8 (2) In addition to the amount appropriated to the department
9 of treasury for debt service in part 1, there is appropriated an
10 amount for fiscal year cash-flow borrowing costs to pay for
11 interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to
12 12.53.

13 Sec. 903. (1) From the funds appropriated in part 1, the
14 department of treasury may contract with private collection
15 agencies and law firms to collect taxes and other accounts due this
16 state. In addition to the amounts appropriated in part 1 to the
17 department of treasury, there are appropriated amounts necessary to
18 fund collection costs and fees not to exceed 25% of the collections
19 or 2.5% plus operating costs, whichever amount is prescribed by the
20 contract. The appropriation to fund collection costs and fees for
21 the collection of taxes or other accounts due this state are from
22 the fund or account to which the revenues being collected are
23 recorded or dedicated. However, if the taxes collected are
24 constitutionally dedicated for a specific purpose, the
25 appropriation of collection costs and fees are from the general
26 purpose account of the general fund.

27 (2) From the funds appropriated in part 1, the department of

1 treasury may contract with private collections agencies and law
2 firms to collect defaulted student loans and other accounts due the
3 Michigan guaranty agency. In addition to the amounts appropriated
4 in part 1 to the department of treasury, there are appropriated
5 amounts necessary to fund collection costs and fees not to exceed
6 22% of the collection or a lesser amount as prescribed by the
7 contract. The appropriation to fund collection costs and fees for
8 the auditing and collection of defaulted student loans due the
9 Michigan guaranty agency is from the fund or account to which the
10 revenues being collected are recorded or dedicated.

11 (3) The department of treasury shall submit a report for the
12 immediately preceding fiscal year ending September 30 to the state
13 budget director and the senate and house of representatives
14 standing committees on appropriations not later than November 30
15 stating the agencies or law firms employed, the amount of
16 collections for each, the costs of collection, and other pertinent
17 information relating to determining whether this authority should
18 be continued.

19 Sec. 904. (1) The department of treasury, through its bureau
20 of investments, may charge an investment service fee against the
21 applicable retirement funds. The fees may be expended for necessary
22 salaries, wages, contractual services, supplies, materials,
23 equipment, travel, worker's compensation insurance premiums, and
24 grants to the civil service commission and state employees'
25 retirement funds. Service fees shall not exceed the aggregate
26 amount appropriated in part 1. The department of treasury shall
27 maintain accounting records in sufficient detail to enable the

1 retirement funds to be reimbursed periodically for fee revenue that
2 is determined by the department of treasury to be surplus.

3 (2) In addition to the funds appropriated in part 1 from the
4 retirement funds to the department of treasury, there is
5 appropriated from retirement funds an amount sufficient to pay for
6 the services of money managers, investment advisors, investment
7 consultants, custodians, and other outside professionals, the state
8 treasurer considers necessary to prudently manage the retirement
9 funds' investment portfolios. The state treasurer shall report
10 annually to the senate and house of representatives standing
11 committees on appropriations and the state budget office concerning
12 the performance of each portfolio by investment advisor.

13 Sec. 904a. (1) There is appropriated an amount sufficient to
14 recognize and pay expenditures for financial services provided by
15 financial institutions as provided by MCL 21.181.

16 (2) The appropriations under subsection (1) shall be funded by
17 restricting revenues from common cash interest earnings and
18 investment earnings in an amount sufficient to record these
19 expenditures.

20 Sec. 905. (1) The department of treasury shall sell copies of
21 the state tax manual, uniform accounting procedures manual, general
22 property tax law manual, and other local government assistance
23 manuals with amendments, at a price not to exceed the cost of
24 production. The revenue received from the sale of preparation and
25 local government assistance manuals shall revert to the department
26 of treasury and be placed in the local government assistance manual
27 revolving fund.

1 (2) In addition to the funds appropriated in part 1, revenue
2 received from the sale of those manuals is appropriated.

3 Sec. 906. (1) The department of treasury shall charge for
4 audits as permitted by state or federal law or under contractual
5 arrangements with local units of government, other principal
6 executive departments, or state agencies. A report detailing audits
7 performed and audit charges for the immediately preceding fiscal
8 year shall be submitted to the state budget director and the senate
9 and house fiscal agencies not later than November 30.

10 (2) The appropriation in part 1 to the department of treasury,
11 for state compliance audits, shall be used to cover the cost of the
12 state audits performed by independent certified public accountants
13 or department of treasury auditors. The scope of the state audit
14 shall be defined by the state treasurer. The state audits shall be
15 performed by independent certified public accountants contracted
16 with by the state treasurer or by department of treasury auditors,
17 if the county has agreed to contract with and pay the department
18 for their financial single audit.

19 (3) The state audits shall be performed for the most current
20 county fiscal year in conjunction with the financial single audit.
21 The state audit may be performed either by certified public
22 accountants contracted by the state treasurer or department of
23 treasury staff, independent of the financial single audit, if a
24 state audit has not been performed within the last 3 years.

25 Sec. 907. A revolving fund known as the assessor certification
26 and training fund is created in the department of treasury. The
27 assessor certification and training fund shall be used to organize

1 and operate a property assessor certification and training program.
2 Each participant certified and trained shall pay to the department
3 of treasury an examination fee of \$50.00, an initial certification
4 fee of \$50.00, an annual renewal fee of \$75.00 for levels 1 and 2,
5 and \$125.00 for levels 3 and 4 to offset the cost of administering
6 the certification and training program. Training courses shall be
7 offered in assessment administration. Each participant shall pay a
8 fee to cover the expenses incurred in offering the optional
9 programs to certified assessing personnel and other individuals
10 interested in an assessment career opportunity. The fees collected
11 shall be credited to the assessor certification and training fund.

12 Sec. 908. The amount appropriated in part 1 to the department
13 of treasury, home heating assistance program, is to cover the
14 costs, including data processing, of administering federal home
15 heating credits to eligible claimants and to administer the
16 supplemental fuel cost payment program for eligible tax credit and
17 welfare recipients.

18 Sec. 909. Revenue from the airport parking tax act, 1987 PA
19 248, MCL 207.371 to 207.383, is appropriated and shall be
20 distributed under section 7a of the airport parking tax act, 1987
21 PA 248, MCL 207.377a.

22 Sec. 910. The disbursement by the department of treasury from
23 the bottle deposit fund to dealers as required by section 3c(2) of
24 the Initiated Law of 1976, MCL 445.573c, is appropriated.

25 Sec. 911. (1) There is appropriated an amount sufficient to
26 recognize and pay refundable income tax credits as provided by the
27 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

1 (2) The appropriations under subsection (1) shall be funded by
2 restricting income tax revenue in an amount sufficient to record
3 these expenditures.

4 Sec. 912. A plaintiff in a garnishment action involving this
5 state shall pay to the state treasurer 1 of the following:

6 (a) A fee of \$6.00 at the time a writ of garnishment of
7 periodic payments is served upon the state treasurer, as provided
8 in section 4012 of the revised judicature act of 1961, 1961 PA 236,
9 MCL 600.4012.

10 (b) A fee of \$6.00 at the time any other writ of garnishment
11 is served upon the state treasurer, except that the fee shall be
12 reduced to \$5.00 for each writ of garnishment for individual income
13 tax refunds or credits filed by magnetic media.

14 Sec. 913. (1) The department of treasury may contract with
15 private firms to appraise and, if necessary, appeal the assessments
16 of senior citizen cooperative housing units. Payment for this
17 service shall be from savings resulting from the appraisal or
18 appeal process.

19 (2) Of the funds appropriated in part 1 to the department of
20 treasury for the senior citizens' cooperative housing tax exemption
21 program, a portion is to be utilized for a program audit of the
22 program. The department of treasury shall forward copies of the
23 audit report to the senate and house of representatives standing
24 committees on appropriations subcommittees on general government
25 and to the state budget office. The department of treasury may
26 utilize up to 1% of the funds for program administration and
27 auditing.

1 Sec. 914. The department of treasury may provide a \$200.00
2 annual prize from the Ehlers internship award account in the gifts,
3 bequests, and deposit fund to the runner-up of the Rosenthal prize
4 for interns. The Ehlers internship award account is interest
5 bearing.

6 Sec. 915. Pursuant to section 61 of the Michigan campaign
7 finance act, 1976 PA 388, MCL 169.261, there is appropriated from
8 the general fund to the state campaign fund an amount equal to the
9 amounts designated for tax year 2006. Except as otherwise provided
10 in this section, the amount appropriated shall not revert to the
11 general fund and shall remain in the state campaign fund. Any
12 amounts remaining in the state campaign fund in excess of
13 \$10,000,000.00 on December 31, 2006 shall revert to the general
14 fund.

15 Sec. 916. The department of treasury may make available to
16 interested entities otherwise unavailable customized unclaimed
17 property listings of nonconfidential information in its possession.
18 The charge for this information is as follows: 1 to 100,000 records
19 at 2.5 cents per record and 100,001 or more records at .5 cents per
20 record. The revenue received from this service shall be deposited
21 to the appropriate revenue account or fund. The department shall
22 submit an annual report on or before June 1 to the state budget
23 director and the senate and house of representatives standing
24 committees on appropriations that states the amount of revenue
25 received from the sale of information.

26 Sec. 917. (1) There is appropriated for write-offs and
27 advances an amount equal to total write-offs and advances for

1 departmental programs, but not to exceed current year
2 authorizations that would otherwise lapse to the general fund.

3 (2) The department of treasury shall submit a report for the
4 immediately preceding fiscal year to the state budget director and
5 the senate and house fiscal agencies not later than November 30,
6 stating the amounts appropriated for write-offs and advances under
7 subsection (1).

8 Sec. 918. In addition to funds appropriated in part 1, the
9 department of treasury may receive and expend funds for conducting
10 tax orientation workshops and seminars. Funds received may not
11 exceed costs incurred in conducting the workshops and seminars.

12 Sec. 919. (1) From funds appropriated in part 1, the
13 department of treasury may contract with private auditing firms to
14 audit for and collect unclaimed property due this state in
15 accordance with the Michigan uniform unclaimed property act. In
16 addition to the amounts appropriated in part 1 to the department of
17 treasury, there are appropriated amounts necessary to fund auditing
18 and collection costs and fees not to exceed 12% of the collections,
19 or a lesser amount as prescribed by the contract. The appropriation
20 to fund collection costs and fees for the auditing and collection
21 of unclaimed property due this state is from the fund or account to
22 which the revenues being collected are recorded or dedicated.

23 (2) The department of treasury shall submit a report for the
24 immediately preceding fiscal year ending September 30 to the state
25 budget director and the senate and house of representatives
26 standing committees on appropriations not later than November 30
27 stating the auditing firms employed, the amount of collections for

1 each, the costs of collection, and other pertinent information
2 relating to determining whether this authority should be continued.

3 Sec. 920. Payments from the appropriation in part 1 to the
4 department of treasury for grants to counties in lieu of taxes for
5 lands transferred to the federal government include a payment for
6 Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901
7 to 3.910.

8 Sec. 921. The state general fund/general purpose appropriation
9 in part 1 for renaissance zone reimbursement is allocated to
10 reimburse public libraries as provided by section 12 of the
11 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for
12 property taxes levied in 2006. Reimbursements shall be made in
13 amounts to each eligible recipient not later than 60 days after the
14 department of treasury has received all necessary information to
15 properly determine the amounts due each eligible recipient under
16 section 12(4) of the Michigan renaissance zone act, 1996 PA 376,
17 MCL 125.2692. Any excess allocations shall lapse to the general
18 fund.

19 Sec. 922. The department of treasury shall submit a report for
20 the immediately preceding fiscal year ending September 30 to the
21 senate and house of representatives standing committees on
22 appropriations subcommittees on general government, the senate and
23 house fiscal agencies, and the state budget director by November 30
24 stating the amount of Michigan transportation fund revenue
25 collected and the cost of collection.

26 Sec. 924. (1) In addition to the funds appropriated in part 1,
27 the department of treasury may receive and expend principal

1 residence audit fund revenue for administration of principal
2 residence audits under the general property tax act, 1893 PA 206,
3 MCL 211.1 to 211.157.

4 (2) The department of treasury shall submit a report for the
5 immediately preceding fiscal year to the state budget director and
6 the senate and house fiscal agencies not later than December 31,
7 stating the amount of revenue appropriated for principal residence
8 audits under subsection (1).

9 Sec. 928. The department of treasury may provide receipt,
10 warrant and cash processing, data, collection, investment, fiscal
11 agent, levy and warrant cost assessment, writ of garnishment, and
12 other user services on a contractual basis for other principal
13 executive departments and state agencies. Funds for the services
14 provided are appropriated and shall be expended for salaries and
15 wages, fees, supplies, and equipment necessary to provide the
16 services. Any unobligated balance of the funds received shall
17 revert to the general fund of this state as of September 30.

18 Sec. 929. The department of treasury may enter into agreements
19 to supply data or collection services to other executive principal
20 departments or state agencies, the United States department of
21 treasury, or local units of government within this state. The
22 department of treasury shall charge for this tax data service and
23 amounts received are appropriated and shall be expended for
24 salaries and wages, fees, supplies, and equipment necessary to
25 provide the service. Any unobligated balance of the fund shall
26 revert to the general fund of this state as of September 30.

27 Sec. 930. (1) The department of treasury shall provide

1 accounts receivable collections services to other principal
2 executive departments and state agencies under 1927 PA 375, MCL
3 14.131 to 14.134. The department of treasury shall deduct a fee
4 equal to the cost of collections from all receipts except
5 unrestricted general fund collections. Fees shall be credited to a
6 restricted revenue account and appropriated to the department of
7 treasury to pay for the cost of collections. The department of
8 treasury shall maintain accounting records in sufficient detail to
9 enable the respective accounts to be reimbursed periodically for
10 fees deducted that are determined by the department of treasury to
11 be surplus to the actual cost of collections.

12 (2) The department of treasury shall submit a report for the
13 immediately preceding fiscal year to the state budget director and
14 the senate and house fiscal agencies not later than November 30,
15 stating the principal executive departments and state agencies
16 served, funds collected, and costs of collection under subsection
17 (1).

18 Sec. 931. (1) The appropriation in part 1 to the department of
19 treasury for treasury fees shall be assessed against all restricted
20 funds that receive common cash earnings. Treasury fees include all
21 costs, including administrative overhead, relating to the
22 investment of each restricted fund. The fee assessed against each
23 restricted fund will be based on the size of the restricted fund
24 (the absolute value of the average daily cash balance plus the
25 market value of investments in the prior fiscal year) and the level
26 of effort necessary to maintain the restricted fund as required by
27 each department. The department of treasury shall provide a report

1 to the state budget director, the senate and house of
2 representatives standing committees on appropriations subcommittees
3 on general government, and the senate and house fiscal agencies by
4 November 30 of each year identifying the fees assessed against each
5 restricted fund.

6 (2) In addition to the funds appropriated in part 1, the
7 department of treasury may receive and expend investment fees
8 relating to new restricted funding sources that participate in
9 common cash earnings during the current fiscal year. When a new
10 restricted fund is created starting on or after October 1, that
11 restricted fund shall be assessed a fee using the same criteria
12 identified in subsection (1).

13 Sec. 932. Revenue received under the Michigan education trust
14 act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the
15 board of directors of the Michigan education trust for necessary
16 salaries, wages, supplies, contractual services, equipment,
17 worker's compensation insurance premiums, and grants to the civil
18 service commission and state employees' retirement fund.

19 Sec. 933. (1) The \$1,000,000.00 appropriated in part 1 for the
20 Michigan education savings program is from the Michigan merit award
21 trust fund to fund an incentive program for the Michigan education
22 savings program created under the Michigan education savings
23 program act, 2000 PA 161, MCL 390.1471 to 390.1486.

24 (2) The funds appropriated for the Michigan education savings
25 program shall be used to provide a state match to dollars invested
26 on behalf of each child named as a designated beneficiary in the
27 Michigan education savings program who is 6 years of age or less,

1 who is a Michigan resident, and whose family's income is \$80,000.00
2 or less.

3 (3) During the current fiscal year, the state shall provide
4 \$1.00 of matching funds for each \$3.00 of individual contributions
5 to the educational savings accounts. The maximum state match for
6 each designated beneficiary shall be \$200.00.

7 (4) The state match shall be available only in the first year
8 the child is enrolled in the Michigan education savings program.

9 Sec. 934. The department of treasury may expend revenues
10 received under the hospital finance authority act, 1969 PA 38, MCL
11 331.31 to 331.84, for necessary salaries, wages, supplies,
12 contractual services, equipment, worker's compensation insurance
13 premiums, and grants to the civil service commission and state
14 employees' retirement fund. The department of treasury shall
15 maintain accounting records in sufficient detail to enable the
16 hospital clients to be reimbursed periodically for fees that are
17 determined by the department of treasury to be surplus to needs.

18 Sec. 935. The department of treasury may expend revenue
19 received under the shared credit rating act, 1985 PA 227, MCL
20 141.1051 to 141.1076, for necessary salaries, wages, supplies,
21 contractual services, equipment, worker's compensation insurance
22 premiums, and grants to the civil service commission and state
23 employees' retirement fund.

24 Sec. 936. The department of treasury shall establish a
25 separate account for the funds related to the Michigan higher
26 education facilities authority. The department of treasury may
27 expend revenue received under the higher education facilities

1 authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary
2 salaries, wages, supplies, contractual services, equipment,
3 worker's compensation insurance premiums, and grants to the civil
4 service commission and state employees' retirement fund. The
5 department of treasury shall maintain accounting records in
6 sufficient detail to enable the educational institution clients to
7 be reimbursed periodically for fees that are determined by the
8 department to be surplus to needs.

9 Sec. 937. The department of treasury may expend revenues
10 received under the Michigan public educational facilities
11 authority, Executive Order No. 2002-3, for necessary salaries,
12 wages, supplies, contractual services, equipment, worker's
13 compensation insurance premiums, and grants to the civil service
14 commission and state employees' retirement fund.

15 Sec. 938. The department of treasury may expend revenues
16 received under the Michigan tobacco settlement finance authority
17 act, 2005 PA 226, MCL 129.261 to 129.279, for necessary salaries,
18 wages, supplies, contractual services, equipment, worker's
19 compensation insurance premiums, and grants to the civil service
20 commission and state employees' retirement fund.

21 Sec. 939. It is the intent of the legislature that the state
22 treasurer, acting within his or her capacity as the investment
23 fiduciary for public employee pension funds and consistent with
24 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate
25 consideration to investments in early stage, university derived
26 life science companies located in Michigan, or investments in
27 venture capital funds that invest in those companies to the extent

1 those investments offer the safety and rate of return comparable to
2 other investments permitted and available at the time the
3 investment decision is made.

4 Sec. 941. In addition to the funds appropriated in part 1,
5 there is appropriated up to \$570,000.00 from standardized audit
6 schedules recovered delinquent tax collection revenues for the
7 support of standardized audit schedule project expenses. The
8 funding shall be used to exclusively support business tax audits
9 related to sales tax, use tax, withholding, single business tax,
10 and motor fuel tax obligations. Any unexpended funds at the end of
11 the fiscal year shall lapse to the general fund.

12 Sec. 943. The department of treasury shall not include
13 complete social security numbers in form 1099-G mailings to
14 taxpayers.

15 Sec. 945. The assessment and certification division of the
16 department of treasury may conduct a review of local unit
17 assessment administration practices, procedures, and records, also
18 known as the 14-point review, in at least 1 assessment jurisdiction
19 per county.

20 Sec. 946. Members of the state tax commission and management
21 level staff of the assessment and certification division may meet
22 with statewide assessment organizations on a quarterly basis for
23 the purpose of coordinating assessment and training activities.
24 Recertification and training activities may be conducted at
25 regional locations chosen to maximize participation of local
26 officials.

27 Sec. 947. (1) Of the additional \$6,190,000.00 included in part

1 1 for the revenue enhancement program, \$5,690,000.00 shall be used
2 for revenue collection enhancement activities including auditing
3 functions. With the exception of current contract obligations under
4 which contractors are performing audits under the supervision of
5 the department of treasury, the \$5,690,000.00 shall only be used to
6 hire state classified civil service positions and may not be used
7 to contract out services.

8 (2) The department of treasury shall submit quarterly progress
9 reports related to personal property tax audits funded under
10 subsection (1) to the senate and house of representatives standing
11 committees on appropriations subcommittees on general government
12 and the senate and house fiscal agencies. The report shall include
13 the number of audits, revenue generated, and number of complaints
14 received by the department related to the audits. The senate and
15 house of representatives standing committees on appropriations
16 subcommittees on general government shall hold a joint public
17 hearing 6 months after the beginning of the fiscal year regarding
18 complaints and progress related to personal property tax audits
19 conducted under this program.

20 (3) The \$500,000.00 balance of the \$6,190,000.00 shall be used
21 for the principal residence exemption compliance program. By
22 November 1, 2006, the department of treasury shall submit a
23 detailed spending plan regarding expenditure of the \$500,000.00 to
24 the senate and house of representatives standing committees on
25 appropriations subcommittees on general government and the senate
26 and house fiscal agencies. The plan shall include improvements to
27 the current program administered by the department pursuant to 2003

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PA 105, and projected collections related to program improvements.

The department shall also submit quarterly progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies that detail the number of audits, number of exemptions denied, and the distribution of revenue received. The auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2007.

Revenue generated to the state from principal residence audits conducted under the principal residence exemption compliance program shall be used to reimburse the state general fund for the \$500,000.00 appropriation prior to any other allocation.

Sec. 948. By December 15, the department of treasury shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of tax returns, to include state income tax returns and single business tax returns, filed online by Michigan residents in the immediately preceding fiscal year.

[Sec. 949. From the funds appropriated in part 1, the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the department of treasury for state restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.]

REVENUE SHARING

Sec. 950. (1) Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to townships, cities, and villages on a population basis as specified by law. The appropriation in part 1

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26 for statutory state general revenue sharing grants to townships,
27 cities, and villages shall be reduced by an amount equal to any

1 additional constitutional revenue sharing appropriations authorized
2 in this section.

3 (2) The appropriation in part 1 for statutory state general
4 revenue sharing grants shall be distributed according to the Glenn
5 Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901
6 to 141.921. Undistributed funds shall lapse to the general fund.

7 Sec. 952. The appropriation in part 1 for special grants to
8 cities shall be used to restore revenue sharing reductions
9 contained in Executive Order No. 2003-23 to a city that had an
10 emergency financial manager appointed pursuant to the local
11 government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to
12 141.1291, continuously from December 10, 2003 through September 30,
13 2007.

14 Sec. 955. (1) There is appropriated to each county an amount
15 equal to the amount distributed to each county for the fiscal year
16 ending September 30, 2004, pursuant to the Glenn Steil state
17 revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921,
18 adjusted by the inflation rate as defined in section 34d of the
19 general property tax act, 1893 PA 206, MCL 211.34d, and reduced by
20 the amount each county is authorized to annually expend in that
21 county's fiscal year beginning after September 30, 2004, from its
22 revenue sharing reserve fund pursuant to section 44a of the general
23 property tax act, 1893 PA 206, MCL 211.44a.

24 (2) The department of treasury shall annually certify to the
25 state budget director the amount each county is authorized to
26 expend from its revenue sharing reserve fund.

27 Sec. 956. The department of treasury shall transmit special

1 census revenue sharing payments to eligible cities, villages, and
2 townships under the Glenn Steil revenue sharing act of 1971, 1971
3 PA 140, MCL 141.901 to 141.921.

4 Sec. 957. (1) The funds appropriated in part 1 for SHARE
5 grants shall be distributed to cities, villages, and townships that
6 meet the eligibility requirements of this section, as provided in
7 this section.

8 (2) To receive funding under this section, the governing body
9 of a city, village, or township shall first pass a resolution by
10 June 30, 2007 indicating that it has either implemented within the
11 past 5 years, or will develop a plan to implement, at least 3 of
12 the following performance criteria:

13 (a) A results-oriented budget process.

14 (b) Cost saving efficiencies through shared service
15 arrangements, including, but not limited to, police, fire, and 9-1-
16 1 services.

17 (c) Cost saving efficiencies through consolidation with other
18 government entities, including, but not limited to, police, fire,
19 and 9-1-1 services.

20 (d) Cost saving efficiencies related to health care benefits.

21 (e) Cost saving efficiencies related to retirement costs.

22 (f) A multiyear financial plan.

23 (g) Infrastructure upgrades for environmental protection.

24 (3) Subject to subsection (2), a city, village, or township
25 with a population of 750,000 or more shall receive a payment of
26 \$2,000,000.00.

27 (4) Subject to subsection (2), from the amount of funding

1 remaining after the payments required in subsection (3) are made,
2 the department shall distribute to certain cities, villages, and
3 townships with populations of less than 750,000 an amount such that
4 the percentage increase in the total combined distribution under
5 this section, section 13 of the Glenn Steil state revenue sharing
6 act of 1971, 1971 PA 140, MCL 141.913, and section 10 of article IX
7 of the state constitution of 1963 for the 2006-2007 state fiscal
8 year from the total combined distribution under section 13 of the
9 Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL
10 141.913, and section 10 of article IX of the state constitution of
11 1963 for the 2005-2006 state fiscal year is equal to, but does not
12 exceed, the percentage increase from the total combined
13 distribution under section 13 of the Glenn Steil state revenue
14 sharing act of 1971, 1971 PA 140, MCL 141.91, and section 10 of
15 article IX of the state constitution of 1963 for the 2005-2006
16 state fiscal year of any city, village, or township that does not
17 receive a distribution from this appropriation.

18 **LOTTERY**

19 Sec. 960. In addition to the funds appropriated in part 1 to
20 the bureau of state lottery, there is appropriated from lottery
21 revenues the amount necessary for, and directly related to,
22 implementing and operating lottery games. Appropriations under this
23 section shall only be expended for contractually mandated payments
24 for vendor commissions, contractually mandated payments for instant
25 tickets intended for resale, the contractual costs of providing and
26 maintaining the on-line system communications network, and
27 incentive and bonus payments to lottery retailers.

1 Sec. 961. The funds appropriated in part 1 to the bureau of
2 state lottery shall not be used for any promotional efforts
3 directed towards individuals who are less than 18 years of age.

4 Sec. 963. The bureau of state lottery shall inform all lottery
5 retailers that the cash side of department of human services bridge
6 cards cannot be used to purchase lottery tickets.

7 **CASINO GAMING**

8 Sec. 971. From the revenue collected by the Michigan gaming
9 control board regarding the total annual assessment of each casino
10 licensee, \$2,000,000.00 is appropriated and shall be deposited in
11 the compulsive gaming prevention fund as described in section
12 12a(5) of the Michigan gaming control and revenue act, the
13 Initiated Law of 1996, MCL 432.212a.

14 Sec. 972. In addition to the funds appropriated in part 1,
15 funds distributed by the Michigan gaming control board to the
16 department of treasury for oversight of casino gaming are
17 appropriated upon receipt. These funds may be used to pay for costs
18 incurred for casino gaming oversight activities.

19 Sec. 973. (1) Funds appropriated in part 1 for local
20 government programs may be used to provide assistance to a local
21 revenue sharing board referenced in an agreement authorized by the
22 Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

23 (2) A local revenue sharing board described in subsection (1)
24 shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to
25 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231
26 to 15.246.

27 (3) A county treasurer is authorized to receive and administer

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1 funds received for and on behalf of a local revenue sharing board.

2 Funds appropriated in part 1 for local government programs may be
3 used to audit local revenue sharing board funds held by a county
4 treasurer. This section does not limit the ability of local units
5 of government to enter into agreements with federally recognized
6 Indian tribes to provide financial assistance to local units of
7 government or to jointly provide public services.

8 (4) The director of the department of state police and the
9 executive director of the Michigan gaming control board are
10 authorized to assist the local revenue sharing boards in
11 determining allocations to be made to local public safety
12 organizations.

13 (5) The department of treasury shall submit a report by
14 September 30 to the senate and house of representatives standing
15 committees on appropriations and the state budget director on the
16 receipts and distribution of revenues by local revenue sharing
17 boards.

18 Sec. 974. If revenues collected in the state services fee fund
19 are less than the amounts appropriated from the fund, available
20 revenues shall be used to fully fund the appropriation in part 1 of
21 this article for casino gaming regulation activities before
22 distributions are made to other state departments and agencies. If
23 the remaining revenue in the fund is insufficient to fully fund
24 appropriations to other state departments or agencies, the
25 shortfall shall be distributed proportionally among those
26 departments and agencies.

[Sec. 975. The funds appropriated in part 1 for life science
technology shall be allocated to the core technology alliance to
implement and fund a grant program for early drug discover.]

REVENUE STATEMENT

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

BUDGET RECOMMENDATIONS BY OPERATING FUNDS

(Amounts in millions)

Fiscal Year 2006-2007

		Beginning			
	Fund	Unreserved			
	Fund	Estimated	Ending		
	Balance	Revenue	Balance		
OPERATING FUNDS					
General fund/general purpose	0110	79.8	9,175.4	2.3	
General fund/special purpose		478.7	15,259.5	662.7	
Special Revenue Funds:					
Countercyclical budget and					
economic stabilization	0111	2.0	0.1	2.0	
Game and fish protection	0112	18.9	63.2	4.0	
Michigan employment security act					
administration	0113	0.0	123.4	4.1	
State aeronautics	0114	1.4	182.3	0.0	
Michigan veterans' benefit					
trust	0115	0.0	4.9	0.0	
State trunkline	0116	0.0	1,200.1	0.0	
Michigan state waterways	0117	14.9	25.5	7.6	

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1	Blue Water Bridge	0118	0.0	16.3	0.0
2	Michigan transportation	0119	0.0	2,080.2	0.0
3	Comprehensive transportation	0120	4.0	159.3	0.0
4	School aid	0122	93.7	13,003.8	0.0
5	Marine safety	0123	1.0	5.0	0.0
6	Game and fish protection trust	0124	6.0	12.0	6.0
7	State park improvement	0125	3.6	41.5	0.0
8	Forest development	0126	11.7	30.3	4.1
9	Michigan civilian conservation				
10	corps endowment	0128	0.3	6.0	0.0
11	Michigan natural resources				
12	trust	0129	34.1	54.7	30.8
13	Michigan state parks endowment	0130	10.9	16.2	7.8
14	Safety education and training	0131	4.9	7.1	2.6
15	Bottle deposit	0136	0.0	18.5	0.0
16	State construction code	0138	5.7	10.2	0.0
17	Children's trust	0139	1.3	3.3	2.3
18	State casino gaming	0140	16.2	32.0	1.2
19	Homeowner construction lien				
20	recovery	0141	4.4	1.6	2.8
21	Michigan nongame fish and				
22	wildlife	0143	0.3	0.5	0.0
23	Michigan merit award trust	0154	9.5	286.6	0.0
24	TOTALS		\$803.3	\$41,819.5	\$740.3

25 ARTICLE 8

26 HIGHER EDUCATION

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

HIGHER EDUCATION

APPROPRIATION SUMMARY:

Full-time equated classified positions..... 1.0

GROSS APPROPRIATION..... \$ [1,780,950,700]

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 0

ADJUSTED GROSS APPROPRIATION..... \$ [1,780,950,700]

Federal revenues:

Total federal revenues..... 3,000,000

Special revenue funds:

Total local revenues..... 0

Total private revenues..... 0

Total other state restricted revenues..... 148,800,000

State general fund/general purpose..... \$ [1,629,150,700]

Sec. 102. CENTRAL MICHIGAN UNIVERSITY (PREPARED FOR JOBS)

Operations..... \$ 83,597,400

GROSS APPROPRIATION..... \$ 83,597,400

1	Appropriated from:		
2	Special revenue funds:		
3	Michigan merit award trust fund.....		538,440
4	State general fund/general purpose.....	\$	83,058,960
5	Sec. 103. EASTERN MICHIGAN UNIVERSITY (PREPARED FOR		
6	JOBS)		
7	Operations.....	\$	<u>78,384,700</u>
8	GROSS APPROPRIATION.....	\$	78,384,700
9	Appropriated from:		
10	State general fund/general purpose.....	\$	78,384,700
11	Sec. 104. FERRIS STATE UNIVERSITY (PREPARED FOR		
12	JOBS)		
13	Operations.....	\$	<u>50,715,100</u>
14	GROSS APPROPRIATION.....	\$	50,715,100
15	Appropriated from:		
16	State general fund/general purpose.....	\$	50,715,100
17	Sec. 105. GRAND VALLEY STATE UNIVERSITY (PREPARED		
18	FOR JOBS)		
19	Operations.....	\$	<u>63,869,100</u>
20	GROSS APPROPRIATION.....	\$	63,869,100
21	Appropriated from:		
22	Special revenue funds:		
23	Michigan merit award trust fund.....		5,000,000
24	State general fund/general purpose.....	\$	58,869,100
25	Sec. 106. LAKE SUPERIOR STATE UNIVERSITY (PREPARED		
26	FOR JOBS)		
27	Operations.....	\$	<u>12,742,200</u>

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1	GROSS APPROPRIATION.....	\$	12,742,200
2	Appropriated from:		
3	State general fund/general purpose.....	\$	12,742,200
4	Sec. 107. MICHIGAN STATE UNIVERSITY (PREPARED FOR		
5	JOBS, THRIVING ECONOMY)		
6	Operations.....	\$	293,880,300
7	Agricultural experiment station.....		33,827,100
8	Cooperative extension service.....		<u>[29,476,400]</u>
9	GROSS APPROPRIATION.....	\$	[357,183,800]
10	Appropriated from:		
11	State general fund/general purpose.....	\$	[357,183,800]
12	Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY		
13	(PREPARED FOR JOBS)		
14	Operations.....	\$	<u>49,041,500</u>
15	GROSS APPROPRIATION.....	\$	49,041,500
16	Appropriated from:		
17	State general fund/general purpose.....	\$	49,041,500
18	Sec. 109. NORTHERN MICHIGAN UNIVERSITY (PREPARED		
19	FOR JOBS)		
20	Operations.....	\$	<u>[46,164,600]</u>
21	GROSS APPROPRIATION.....	\$	[46,164,600]
22	Appropriated from:		
23	State general fund/general purpose.....	\$	[46,164,600]
24	Sec. 110. OAKLAND UNIVERSITY (PREPARED FOR JOBS)		
25	Operations.....	\$	<u>52,824,100</u>
26	GROSS APPROPRIATION.....	\$	52,824,100
27	Appropriated from:		

1	Special revenue funds:		
2	Michigan merit award trust fund.....		1,941,768
3	State general fund/general purpose.....	\$	50,882,332
4	Sec. 111. SAGINAW VALLEY STATE UNIVERSITY (PREPARED		
5	FOR JOBS)		
6	Operations.....	\$	<u>28,677,800</u>
7	GROSS APPROPRIATION.....	\$	28,677,800
8	Appropriated from:		
9	Special revenue funds:		
10	Michigan merit award trust fund.....		2,019,792
11	State general fund/general purpose.....	\$	26,658,008
12	Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR		
13	(PREPARED FOR JOBS)		
14	Operations.....	\$	<u>327,471,100</u>
15	GROSS APPROPRIATION.....	\$	327,471,100
16	Appropriated from:		
17	State general fund/general purpose.....	\$	327,471,100
18	Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN		
19	(PREPARED FOR JOBS)		
20	Operations.....	\$	<u>25,800,800</u>
21	GROSS APPROPRIATION.....	\$	25,800,800
22	Appropriated from:		
23	State general fund/general purpose.....	\$	25,800,800
24	Sec. 114. UNIVERSITY OF MICHIGAN - FLINT (PREPARED		
25	FOR JOBS)		
26	Operations.....	\$	<u>21,832,200</u>
27	GROSS APPROPRIATION.....	\$	21,832,200

1	Appropriated from:	
2	State general fund/general purpose	\$ 21,832,200
3	Sec. 115. WAYNE STATE UNIVERSITY (PREPARED FOR	
4	JOBS)	
5	Operations.....	\$ <u>210,601,000</u>
6	GROSS APPROPRIATION.....	\$ 210,601,000
7	Appropriated from:	
8	State general fund/general purpose	\$ 210,601,000
9	Sec. 116. WESTERN MICHIGAN UNIVERSITY (PREPARED FOR	
10	JOBS)	
11	Operations.....	\$ <u>114,218,000</u>
12	GROSS APPROPRIATION.....	\$ 114,218,000
13	Appropriated from:	
14	State general fund/general purpose	\$ 114,218,000
15	Sec. 117. STATE AND REGIONAL PROGRAMS (PREPARED FOR	
16	JOBS)	
17	Full-time equated position	1.0
18	Higher education database modernization and	
19	conversion--1.0 FTE position	\$ 200,000
20	Midwestern higher education compact	90,000
21	Michigan public school employees retirement system...	<u>1,683,400</u>
22	GROSS APPROPRIATION.....	\$ 1,973,400
23	Appropriated from:	
24	State general fund/general purpose	\$ 1,973,400
25	Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ -	
26	ROSA PARKS PROGRAM (PREPARED FOR JOBS)	
27	Select student supportive services	\$ 1,956,100

1	Michigan college/university partnership program.....		586,800
2	Morris Hood, Jr. educator development program.....		<u>148,600</u>
3	GROSS APPROPRIATION.....	\$	2,691,500
4	Appropriated from:		
5	State general fund/general purpose.....	\$	2,691,500
6	Sec. 119. GRANTS AND FINANCIAL AID (PREPARED FOR		
7	JOBS)		
8	State competitive scholarships.....	\$	34,130,500
9	Tuition grants.....		58,768,100
10	Michigan work-study program.....		7,326,300
11	Part-time independent student program.....		2,653,300
12	Michigan education opportunity grants.....		2,084,200
13	Robert C. Byrd honors scholarship program.....		1,500,000
14	Nursing scholarship and grant programs.....		4,000,000
15	Michigan merit award program.....		127,700,000
16	Tuition incentive program.....		14,000,000
17	Children of veterans tuition grant program.....		<u>1,000,000</u>
18	GROSS APPROPRIATION.....	\$	253,162,400
19	Appropriated from:		
20	Federal revenues:		
21	Higher education act of 1965, title IV, 20 USC.....		1,500,000
22	Higher education act of 1965, title IV, part A.....		1,500,000
23	Special revenue funds:		
24	Michigan merit award trust fund.....		138,300,000
25	Contributions to children of veterans tuition grant		
26	program		1,000,000
27	State general fund/general purpose.....	\$	110,862,400

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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 2006-2007 is [\$1,777,950,700.00] and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

Part-time independent student program.....	\$	1,255,700
Michigan education opportunity grant.....		932,900
Michigan work-study.....		<u>1,570,500</u>
TOTAL.....	\$	3,759,100

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

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this article. This requirement 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

1 the purchase of foreign goods or services, or both, if
2 competitively priced and of comparable quality American goods and
3 services, or both, are available. Preference should be given to
4 goods or services, or both, manufactured or provided by Michigan
5 businesses if they are competitively priced and of comparable
6 value.

7 Sec. 212. (1) The funds appropriated in part 1 to state
8 institutions of higher education shall be paid out of the state
9 treasury and distributed by the state treasurer to the respective
10 institutions in 11 equal monthly installments on the sixteenth of
11 each month, or the next succeeding business day, beginning with
12 October 16, 2006. Except for Wayne State University, each
13 institution shall accrue its July and August 2007 payments to its
14 institutional fiscal year ending June 30, 2007.

15 (2) All universities shall submit higher education
16 institutional data inventory (HEIDI) data and associated financial
17 and program information requested by and in a manner prescribed by
18 the state budget director. For universities with fiscal years
19 ending June 30, 2006, these data shall be submitted to the state
20 budget director by October 15, 2006. Universities with a fiscal
21 year ending September 30, 2006 shall submit preliminary HEIDI data
22 by November 15, 2006 and final data by December 15, 2006. If a
23 university fails to submit HEIDI data and associated financial aid
24 program information in accordance with this reporting schedule, the
25 state treasurer shall withhold the monthly installments under
26 subsection (1) to the university until those data are submitted.

27 (3) A detailed description of procedures utilized to arrive at

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1 the amounts appropriated in part 1 shall be submitted to each
2 institution by the senate and house fiscal agencies.

3 Sec. 213. Funds received by the state from the federal
4 government or private sources for the use of a college or
5 university are appropriated for the purposes for which they are
6 provided. The acceptance and use of federal or private funds do not
7 place an obligation upon the legislature to continue the purposes
8 for which the funds are made available.

9 Sec. 214. If section 274 of the income tax act of 1967, 1967
10 PA 281, MCL 206.274, is not repealed and if a state institution of
11 higher education that receives funds under this article notifies
12 the department of treasury regarding its tuition and fee rates in
13 order to qualify as an eligible institution for the Michigan
14 tuition tax credit under section 274 of the income tax act of 1967,
15 1967 PA 281, MCL 206.274, the institution shall also submit the
16 notification and applicable documentation of tuition and fee
17 changes to the house and senate fiscal agencies.

18 Sec. 215. A state institution of higher education that
19 receives funds under this article shall furnish all program and
20 financial information that is required by and in a manner
21 prescribed by the state budget director or the house or senate
22 appropriations committee.

[Sec. 221. A state university shall not enter into any contract for
construction, alteration, repair, or special maintenance that
discriminates against a person based upon race, color, religion, sex,
national origin, height, weight, age, marital status, or other legally
protected characteristic, membership, or nonmembership in any labor
organization, or requires that any bidder, contractor, subcontractor, or
construction management enter into, or adhere to, agreements with 1 or
more labor organizations with respect to the contract or any related
construction contract.]

23 **GRANTS AND FINANCIAL AID**

24 Sec. 301. (1) Payments of the amounts included in part 1 for
25 the state competitive scholarship program shall be distributed
26 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

1 (2) The Michigan higher education assistance authority shall
2 implement a proportional competitive scholarship maximum award
3 level for recipients enrolled less than full-time in a given
4 semester or term.

5 (3) If a student who receives an award under this section has
6 his or her tuition and fees paid under the Michigan educational
7 trust program, pursuant to the Michigan education trust act, 1986
8 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
9 funds awarded under this section may be used for educational
10 expenses other than tuition and fees.

11 (4) If the Michigan higher education assistance authority
12 increases the maximum award per eligible student from that provided
13 in the previous fiscal year, it shall not have the effect of
14 reducing the number of eligible students receiving awards in
15 relation to the total number of eligible applicants. Any increase
16 in the maximum grant shall be proportional for all eligible
17 students receiving awards.

18 (5) Students who receive aid under 1964 PA 208, MCL 390.971 to
19 390.981, shall be awarded scholarships on the basis of merit and
20 financial need. Veterans administration benefits shall not be
21 considered in determining eligibility under 1964 PA 208, MCL
22 390.971 to 390.981.

23 Sec. 302. (1) The amounts appropriated in part 1 for the state
24 tuition grant program shall be distributed pursuant to 1966 PA 313,
25 MCL 390.991 to 390.997a.

26 (2) Tuition grant awards shall be made to all eligible
27 Michigan residents who apply before July 1, 2006 and who are

1 qualified. The application deadline is June 1, 2007 for fiscal year
2 2007-2008 tuition grant awards. Tuition grant awards shall not be
3 made to students newly enrolled in a juris doctor law degree
4 program after the 1995-1996 academic year.

5 (3) The Michigan higher education assistance authority shall
6 determine an actual maximum tuition grant award per student, which
7 shall be no less than \$2,400.00, that ensures that the aggregate
8 payments for the tuition grant program do not exceed the
9 appropriation contained in part 1 for the state tuition grant
10 program. If the authority determines that insufficient funds are
11 available to establish a maximum award amount of \$2,400.00, the
12 authority shall immediately report to the house and senate
13 appropriations subcommittees on higher education, the house and
14 senate fiscal agencies, and the state budget director, regarding
15 the estimated amount of additional funds necessary to establish a
16 \$2,400.00 maximum award amount. By December 15, 2006, and again by
17 February 1, 2007, the authority shall analyze the status of award
18 commitments, shall make any necessary adjustments, and shall
19 confirm that those award commitments will not exceed the
20 appropriation contained in part 1 for the tuition grant program.
21 The determination and actions shall be reported to the state budget
22 director and the house and senate fiscal agencies no later than
23 February 15, 2007. If award adjustments are necessary, the students
24 shall be notified of the adjustment by the third Monday in
25 February.

26 (4) Any unexpended and unencumbered funds remaining on
27 September 30, 2007 from the amounts appropriated in part 1 for the

1 tuition grant program shall not lapse on September 30, 2007, but
2 shall continue to be available for expenditure for tuition grants
3 provided in the 2007-2008 fiscal year. The use of these unexpended
4 fiscal year 2006-2007 funds shall terminate at the end of the 2007-
5 2008 fiscal year.

6 (5) The Michigan higher education assistance authority shall
7 continue a proportional tuition grant maximum award level for
8 recipients enrolled less than full-time in a given semester or
9 term.

10 (6) All Ferris State University students enrolled at Kendall
11 College of Art and Design prior to January 1, 2001 who were
12 qualified for the state tuition grant shall continue to receive the
13 dollar amount of the state tuition grant for which they were
14 eligible until they graduate or are no longer enrolled in the
15 Kendall College of Art and Design at Ferris State University.

16 Sec. 303. (1) Included in the appropriation in part 1 is
17 funding for the Michigan work-study program established under 1986
18 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to
19 390.1332. An effort should be made by each institution
20 participating in the Michigan work-study program to assure that not
21 less than 10% of those undergraduate, graduate, and professional
22 students eligible to participate in the program are placed with
23 for-profit employers no later than December 31 of each year for
24 which funding is provided under this article.

25 (2) The Michigan higher education assistance authority shall
26 allocate funds to institutions eligible for work-study money based
27 upon each institution's specific Pell grant index and each

1 institution's utilization rate of work-study funds for the 3 most
2 recent years for which statistics are available.

3 (3) The Michigan higher education assistance authority shall
4 set aside not more than 5% of the total work-study appropriation to
5 process requests from participating institutions for allocation
6 adjustments. Allocation adjustments shall be based on criteria set
7 by the authority prior to making the allocations under subsection
8 (2).

9 Sec. 307. The auditor general may audit selected enrollments,
10 degrees, and awards at selected independent colleges and
11 universities receiving awards administered by the department of
12 treasury. The audits shall be based upon definitions and
13 requirements established by the Michigan higher education
14 assistance authority, the state budget director, and the senate and
15 house fiscal agencies. The auditor general shall accept the Free
16 Application for Federal Student Aid (FAFSA) form as the standard of
17 residency documentation. The auditor general shall submit a report
18 of findings to the senate and house appropriations committees and
19 state budget director by May 1, 2007.

20 Sec. 308. The sums appropriated in part 1 for the student
21 financial aid programs shall be paid out of the state treasury and
22 shall be distributed to the respective institutions under a
23 quarterly payment system as follows:

24 (a) For the state competitive scholarship, nursing
25 scholarship, tuition incentive, and tuition grant programs, 40%
26 shall be paid at the beginning of the state's first fiscal quarter,
27 40% at the beginning of the state's second fiscal quarter, 10% at

1 the beginning of the state's third fiscal quarter, and 10% at the
2 beginning of the state's fourth fiscal quarter.

3 (b) For the work-study program, payments shall be made in 11
4 monthly installments from October 1 to August 31 of any year.

5 (c) For the part-time independent student program and the
6 Michigan education opportunity grant program, 50% shall be paid at
7 the beginning of the state's first fiscal quarter, 25% at the
8 beginning of the state's second fiscal quarter, and 25% at the
9 beginning of the state's third fiscal quarter.

10 (d) For the Robert C. Byrd honors scholarship program, 50%
11 shall be paid at the beginning of the state's first fiscal quarter
12 and 50% at the beginning of the state's second fiscal quarter.

13 Sec. 309. The Michigan higher education assistance authority
14 shall determine the needs analysis criteria for students to qualify
15 for the competitive scholarship program and tuition grant program.
16 To be consistent with federal requirements, student wages may be
17 taken into consideration when determining the amount of the award.

18 Sec. 310. (1) The funds appropriated in part 1 for the tuition
19 incentive program/high school completion program shall be
20 distributed as provided in this section and pursuant to the
21 administrative procedures for the tuition incentive program/high
22 school completion program of the department of treasury.

23 (2) As used in this section:

24 (a) "Phase I" means the first part of the tuition incentive
25 assistance program defined as the academic period of 80 semester or
26 120 term credits, or less, leading to an associate degree or
27 certificate.

1 (b) "Phase II" means the second part of the tuition incentive
2 assistance program which provides assistance in the third and
3 fourth year of 4-year degree programs.

4 (c) "Department" means the department of treasury.

5 (3) A person shall meet the following basic criteria and
6 financial thresholds to be eligible for tuition incentive benefits:

7 (a) To be eligible for phase I, a person shall meet all of the
8 following criteria:

9 (i) Apply for certification to the department before graduating
10 from high school or completing the general education development
11 (GED) certificate.

12 (ii) Be less than 20 years of age at the time of high school
13 graduation or GED completion.

14 (iii) Be a United States citizen and a resident of Michigan
15 according to institutional criteria.

16 (iv) Be at least a half-time student, earning less than 80
17 semester or 120 term credits at a participating educational
18 institution within 4 years of high school graduation or GED
19 certificate completion.

20 (v) File a FAFSA.

21 (b) To be eligible for phase II, a person shall meet 1 of the
22 following criteria in addition to the criteria in subdivision (a):

23 (i) Complete at least 56 transferable semester or 84
24 transferable term credits.

25 (ii) Achieve junior level status at a state university.

26 (iii) Obtain an associate degree or certificate at a
27 participating institution.

1 (c) To be eligible for phase I or phase II, a person must be
2 financially eligible as determined by the department. A person is
3 financially eligible for the tuition incentive program if that
4 person was Medicaid eligible for 24 months within the 36 months
5 before application. Certification of eligibility may begin in the
6 sixth grade.

7 (4) For phase I, the department shall provide payment on
8 behalf of a person eligible under subsection (3). The department
9 shall reject billings that are excessive or outside the guidelines
10 for the type of educational institution.

11 (5) For phase I, all of the following apply:

12 (a) Payments for associate degree or certificate programs
13 shall not be made for more than 80 semester or 120 term credits for
14 any individual student at any participating institution.

15 (b) For persons enrolled at a Michigan community college, the
16 department shall pay the current in-district tuition and mandatory
17 fees. For persons residing in an area that is not included in any
18 community college district, the out-of-district tuition rate may be
19 authorized.

20 (c) For persons enrolled at a Michigan public university, the
21 department shall pay lower division resident tuition and mandatory
22 fees for the current year.

23 (d) For persons enrolled at a Michigan independent, nonprofit
24 degree granting college or university, or a Michigan federal
25 tribally controlled community college, or Focus: HOPE, the
26 department shall pay mandatory fees for the current year and a per-
27 credit payment that does not exceed the average community college

1 in-district per-credit tuition rate as reported on August 1, for
2 the immediately preceding academic year.

3 (6) A person participating in phase II may be eligible for
4 additional funds not to exceed \$500.00 per semester or \$400.00 per
5 term up to a maximum of \$2,000.00 subject to the following
6 conditions:

7 (a) Credits are earned in a 4-year program at a Michigan
8 degree granting 4-year college or university.

9 (b) The tuition reimbursement is for coursework completed
10 within 30 months of completion of the phase I requirements.

11 (7) The department shall work closely with participating
12 institutions to develop an application and eligibility
13 determination process that will provide the highest level of
14 participation and ensure that all requirements of the program are
15 met.

16 (8) Applications for the tuition incentive program may be
17 approved at any time after the student begins the sixth grade. If a
18 determination of financial eligibility is made, that determination
19 is valid as long as the student meets all other program
20 requirements and conditions.

21 (9) Each institution shall ensure that all known available
22 restricted grants for tuition and fees are used prior to billing
23 the tuition incentive program for any portion of a student's
24 tuition and fees.

25 (10) Any grant aid received by a student from federal sources
26 shall be deducted from the amounts paid under this section.

27 (11) The department shall ensure that the tuition incentive

1 program is well publicized and that potentially eligible Medicaid
2 clients are provided information on the program. The department
3 shall provide the necessary funding and staff to fully operate the
4 program.

5 Sec. 311. To enable the legislature and the state budget
6 director to evaluate the appropriation needs of higher education,
7 each independent college and university shall make available to the
8 legislature or state budget director, upon request, data regarding
9 grants for the preceding, current, and ensuing fiscal years.

10 Sec. 312. From the funds appropriated in part 1 for nursing
11 scholarship and grant programs, the Michigan higher education
12 assistance authority shall administer any nursing scholarship or
13 nursing school grant programs authorized under the Michigan nursing
14 scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

15 Sec. 314. By December 1 of each year, the Michigan higher
16 education assistance authority shall submit a report to the state
17 budget director, the house and senate appropriations subcommittees
18 on higher education, and the house and senate fiscal agencies for
19 the preceding fiscal year on the children of veterans tuition grant
20 program. The report shall include, but is not limited to, the total
21 number of tuition grants paid by the authority in the preceding
22 fiscal year, the total dollar amount of those tuition grants, and
23 the number of students receiving tuition grants and the total
24 amount of those tuition grants at each eligible institution.

25 Sec. 315. (1) By December 1 of each year, the Michigan higher
26 education assistance authority shall submit a report to the state
27 budget director, the house and senate appropriations subcommittees

1 on higher education, and the house and senate fiscal agencies for
2 the preceding fiscal year on the Michigan tuition grant program.
3 The report shall include, but is not limited to, the total number
4 of tuition grants paid by the authority in the preceding fiscal
5 year, the total dollar amount of those tuition grants, and the
6 number of students receiving tuition grants and the total amount of
7 those tuition grants at each eligible institution.

8 (2) It is the intent of the legislature that the association
9 of independent colleges and universities of Michigan submit to the
10 house and senate appropriations subcommittees on higher education,
11 the house and senate fiscal agencies, and the state budget director
12 a report on the academic progress of tuition grant recipients at
13 independent colleges and universities. This report shall be
14 presented to the subcommittees during the subcommittees'
15 deliberations on the higher education budget for the state 2007-
16 2008 fiscal year.

17 **STATE UNIVERSITIES**

18 Sec. 402. The University of Michigan biological station at
19 Douglas Lake in Cheboygan County is regarded as a unique resource
20 and is designated as a special research reserve. It is the intent
21 of the legislature to protect and preserve the unique long-term
22 research value and capabilities of the biological station area and
23 Douglas Lake. The legislature further intends that no state
24 programs or policies be developed that would have a deleterious
25 impact on the research value of Douglas Lake.

26 Sec. 418. (1) The amounts appropriated for state university

1 operations under sections 102 to 116 were calculated using the
2 funding model calculations described in this section.

3 (2) The total funds initially allocated under the funding
4 model were equal to \$1,448,228,700.00. From this amount, the
5 following percentages were allocated to the following components:

6 (a) 37.5% to an enrollment-based component.

7 (b) 37.5% to a degree-based component.

8 (c) 25.0% to a research-based component.

9 (3) Under the enrollment-based component, each state
10 university received a funding amount per resident, or nonresident
11 undergraduate, fiscal year equated student and a funding amount per
12 nonresident graduate fiscal year equated student, based on fiscal
13 year 2004-2005 data reported to the higher education institutional
14 data inventory (HEIDI). The amount per nonresident graduate student
15 was set at 75.0% of the amount per resident, or nonresident
16 undergraduate, student. Those amounts were calculated so that total
17 enrollment-based funding to all state universities was equal to the
18 funds allocated to this component.

19 (4) Under the degree-based component, each state university
20 received a funding amount per degree completion based on fiscal
21 year 2004-2005 data reported to the integrated postsecondary
22 education data system and subsequently included in HEIDI. Degree
23 completions resulting solely from instructional activity occurring
24 outside the state were excluded from the data utilized in the
25 funding model. The base funding amount was multiplied, in sequence,
26 by weights that vary by the academic level and program category of
27 the degree. The base funding amount for a bachelor's degree in a

1 general field was calculated so that total degree-based funding was
2 equal to the funds allocated to this component. The weights were
3 as follows:

4 (a) Academic level:

5 (i) 0.25 for an associate's degree.

6 (ii) 1.00 for a bachelor's degree.

7 (iii) 0.25 for a master's or doctoral degree.

8 (iv) 0.50 for a professional degree.

9 (b) Program category:

10 (i) 1.00 for a degree in a general area.

11 (ii) 2.00 for a degree in a natural science- or math-related
12 area or an education degree in a math-, science-, technical-, or
13 special education-related subarea.

14 (iii) 4.00 for a degree in an engineering- or technology-related
15 area.

16 (iv) 4.00 for a degree in a health-related area.

17 (5) Under the research-based component, each state university
18 received funds based on a percentage of science- and engineering-
19 related obligations awarded to that state university by the federal
20 government based on the average of fiscal year 2001-2002 and fiscal
21 year 2002-2003 data reported by the national science foundation
22 based on a survey of federal agencies. For a university subject to
23 section 418(7) of article 8 of 2005 PA 154, the intent stated in
24 section 418(7) of article 8 of 2005 PA 154 was recognized by
25 increasing the amount of the university's federal obligations
26 effectively matched in the fiscal year 2005-2006 funding model by
27 the percentage increase in the university's average obligations for

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1 fiscal years 2001-2002 and 2002-2003 from the average obligations
2 for fiscal years 2000-2001 and 2001-2002. The percentage of federal
3 obligations matched under the funding model was calculated so that
4 total research-based funding was equal to the funds allocated to
5 this component.

6 (6) The initial funding amount for each state university was
7 calculated by adding the amounts calculated under each of 3 funding
8 model components under subsection (2). To determine the final
9 funding amount for each state university under the funding model,
10 positive differences from the fiscal year 2005-2006 enacted funding
11 amount for each university were limited to 4.0% and negative
12 differences from the fiscal year 2005-2006 enacted funding amount
13 for each university were limited to 2.0%.

14 (7) After calculation of each university's funding amount
15 under the funding model described in this section, the following
16 amounts were added to the universities' operations appropriations:

17 (a) \$3,000.00 multiplied by the number of students for whom
18 tuition was waived in fiscal year 2004-2005 under 1976 PA 174, MCL
19 390.1251 to 390.1253, as reported to HEIDI.

20 (b) The amount specified in section 419 for Northern Michigan
21 University.

[(c) An amount of \$1,000,000.00 for Northern Michigan University to
aid the university in the transition to the state university funding
model described in this section.]

22 (8) It is the intent of the legislature to continue to gather
23 information and review performance indicators that better reflect
24 the uniqueness of each state university's mission, which include,
25 but are not limited to, the distinct missions of research
26 institutions, institutions with medical schools, institutions that
27 offer specialized programs, and institutions that serve geographic

1 areas in which access to postsecondary education is limited.

2 Sec. 419. Of the amount appropriated to Northern Michigan
3 University under section 109, \$600,000.00 is appropriated for the
4 costs of operating and maintaining the superior dome. It is the
5 intent of the legislature that, if responsibility for operating and
6 maintaining the dome is transferred to another state or local
7 governmental authority or entity, that the \$600,000.00 funding
8 amount be removed from Northern Michigan University's appropriation
9 and instead be appropriated to the authority or entity to which
10 responsibility for the dome is transferred for annual operational
11 and maintenance costs.

12 Sec. 426. (1) It is the legislative intent that private
13 bookstores that sell textbooks to university students and student
14 governments that provide a book swap for university students have
15 accurate and timely access to lists of universities' required
16 textbooks in order to provide prompt and efficient service for
17 students. It is further the legislative intent that each state
18 university allow students who are on financial aid or are receiving
19 tuition grants to decide where to purchase their textbooks.

20 (2) It is the intent of the legislature that each state
21 university that provides for the use of funds in a university
22 administered account or financial aid for the purchase of required
23 textbooks and supplies at bookstores operated by or affiliated with
24 the university also provide for the use of funds in a university
25 administered account or financial aid at bookstores providing
26 required textbooks or supplies that are not operated by or
27 affiliated with the university. A state university may require

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1 bookstores not operated by or affiliated with the university to
2 reimburse the university for any reasonable costs attributable to
3 these transactions and to pay a reasonable rate or commission to
4 the university.

5 Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the
6 agricultural experiment station and \$2,619,000.00 for the
7 cooperative extension service for project GREEN. Project GREEN is
8 intended to address critical regulatory, food safety, economic, and
9 environmental problems faced by this state's plant-based
10 agriculture, forestry, and processing industries. "GREEN" is an
11 acronym for generating research and extension to meet environmental
12 and economic needs.

13 (2) The department of agriculture and Michigan State
14 University, in consultation with agricultural commodity groups and
15 other interested parties, shall develop project GREEN and its
16 program priorities.

17 (3) Not later than September 30, 2007, a report shall be
18 submitted by Michigan State University to the state budget
19 director, the house and senate appropriations subcommittees on
20 agriculture and on higher education, and the house and senate
21 fiscal agencies for the preceding fiscal year regarding project
22 GREEN projects. The report shall include, but is not limited to,
23 the dollar amount of each project and a review of each project's
24 performance and accomplishments.

[Sec. 434. From the funds appropriated in part 1 for the
cooperative extension service, \$300,000.00 shall be expended for local 4-
H programs. Those expenditures shall be above and beyond the amount of
funds expended and distributed under an existing formula for local 4-H
programs in previous fiscal years.]

25 Sec. 436. It is the intent of the legislature that if any
26 Michigan public university increases its resident undergraduate
27 tuition and required fees from academic year 2005-2006 to academic

1 year 2006-2007, then that university shall increase its fiscal year
2 2006-2007 general fund expenditures for student financial aid by at
3 least the same percentage as the percentage change in resident
4 undergraduate tuition and required fees. Each public university
5 shall report its proposed fiscal year 2006-2007 general fund
6 expenditures for student financial aid compared to its projected
7 fiscal year 2005-2006 general fund expenditures for student
8 financial aid, and its projected academic year 2006-2007 resident
9 undergraduate tuition and required fee changes from academic year
10 2005-2006, to the state budget director and the house and senate
11 appropriations subcommittees on higher education by November 15,
12 2006.

13 Sec. 437. The amount appropriated in section 117 for the
14 Michigan public school employees retirement system shall be paid to
15 the Michigan public school employees retirement system. This
16 payment shall be used to reduce the fiscal year 2006-2007 payments
17 to the system required from the 7 state universities that have
18 employees in the system. The payment reductions for each university
19 shall be proportional to the difference between the amount that
20 that state university would otherwise be required to pay to the
21 system and the estimated amount that university would pay if the
22 employees of that state university in the system were instead
23 subject to a defined contribution retirement plan under which 12.0%
24 of employee payroll was paid by the university into a defined
25 contribution plan.

26 Sec. 440. All universities shall submit the amount of tuition
27 and fees actually charged to a full-time resident undergraduate

1 student for academic year 2006-2007 as part of their higher
2 education institutional data inventory (HEIDI) data by August 31,
3 2006. A university shall report any revisions for any semester of
4 the reported academic year 2006-2007 tuition and fee charges to
5 HEIDI within 15 days of being adopted.

6 Sec. 450. On a per-student basis, the amounts allocated to
7 state universities in part 1 equate to at least \$3,749.00 per
8 fiscal-year-equated student for each university, except for Grand
9 Valley State University due to limited state resources. The number
10 of 2004-2005 fiscal-year-equated students at a university is
11 determined by reference to the higher education institutional data
12 inventory (HEIDI).

13 Sec. 461. From the amount appropriated in part 1 to Lake
14 Superior State University for operations, \$100,000.00 shall be paid
15 to Bay Mills Community College for the costs of waiving tuition for
16 North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

17 **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**

18 Sec. 501. (1) Included in the appropriation for each public
19 university in part 1 is funding for the Martin Luther King, Jr. -
20 Cesar Chavez - Rosa Parks future faculty program, that is intended
21 to increase the pool of minority candidates pursuing faculty
22 teaching careers in postsecondary education. Each university shall
23 apply the percentage change applicable to every university in the
24 calculation of appropriations in part 1 to the amount of funds
25 allocated to the future faculty program.

26 (2) The program shall be administered by each university in a

1 manner prescribed by the Michigan department of labor and economic
2 growth. The Michigan department of labor and economic growth shall
3 use a good faith effort standard to evaluate whether a fellowship
4 is in default.

5 Sec. 502. (1) Included in the appropriation for each public
6 university in part 1 is funding for the Martin Luther King, Jr. -
7 Cesar Chavez - Rosa Parks college day program that is intended to
8 introduce schoolchildren underrepresented in postsecondary
9 education to the potential of a college education.

10 (2) Individual program plans of each university shall include
11 a budget of equal contributions from this program, the
12 participating public university, the participating school district,
13 and the participating independent degree granting college. College
14 day funds shall not be expended to cover indirect costs. Not more
15 than 20% of the university match shall be attributable to indirect
16 costs. Each university shall apply the percentage change applicable
17 to every university in the calculation of appropriations in part 1
18 to the amount of funds allocated to the college day program.

19 (3) The program shall be administered by each university in a
20 manner prescribed by the Michigan department of labor and economic
21 growth.

22 Sec. 503. (1) Included in part 1 is funding for the Martin
23 Luther King, Jr. - Cesar Chavez - Rosa Parks select student support
24 services program for developing academically and economically
25 disadvantaged student retention programs for 4-year public and
26 independent educational institutions in this state.

27 (2) An award made under this program to any 1 institution

1 shall not be greater than \$150,000.00, and the amount awarded shall
2 be matched on a 70% state, 30% college or university basis.

3 (3) The program shall be administered by the Michigan
4 department of labor and economic growth.

5 Sec. 504. (1) Included in part 1 is funding for the Martin
6 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
7 partnership program between 4-year public and independent colleges
8 and universities and public community colleges, which is intended
9 to increase the number of academically and economically
10 disadvantaged students who transfer from community colleges into
11 baccalaureate programs.

12 (2) The grants shall be made under this program to Michigan
13 public and independent colleges and universities. An award to any 1
14 institution shall not be greater than \$150,000.00, and the amount
15 awarded shall be matched on a 70% state, 30% college or university
16 basis.

17 (3) The program shall be administered by the Michigan
18 department of labor and economic growth.

19 Sec. 505. (1) Included in the appropriation for each public
20 university in part 1 is funding for the Martin Luther King, Jr. -
21 Cesar Chavez - Rosa Parks visiting professors program which is
22 intended to increase the number of underrepresented minority
23 instructors in the classroom and provide role models for
24 underrepresented minority students.

25 (2) The program shall be administered by the Michigan
26 department of labor and economic growth.

27 Sec. 506. (1) Included in the appropriation in part 1 is

1 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
2 Parks initiative for the Morris Hood, Jr. educator development
3 program which is intended to increase the number of minority
4 students, especially males, who enroll in and complete K-12 teacher
5 education programs at the baccalaureate level.

6 (2) The program shall be administered by each state-approved
7 teacher education institution in a manner prescribed by the
8 Michigan department of labor and economic growth.

9 (3) Approved teacher education institutions may and are
10 encouraged to use student support services funding in coordination
11 with the Morris Hood, Jr. funding to achieve the goals of the
12 program.

13 Sec. 507. Each state institution of higher education receiving
14 funds under section 503, 504, or 506 shall notify the Michigan
15 department of labor and economic growth by April 15, 2007 as to
16 whether it will expend by the end of its fiscal year the funds
17 received under section 503, 504, or 506. Notwithstanding the award
18 limitations in sections 503 and 504, the amount of funding reported
19 as not being expended will be reallocated to the institutions that
20 intend to expend all funding received under section 503, 504, or
21 506.

22 **STUDENT PERFORMANCE REPORTING**

23 Sec. 601. (1) From the amount appropriated in part 1 for state
24 universities, the state universities shall systematically inform
25 Michigan high schools regarding the academic status of students
26 from each high school in a manner prescribed by the presidents

1 council, state universities of Michigan in cooperation with the
2 Michigan association of secondary school principals.

3 (2) The Michigan high schools shall systematically inform the
4 state universities about the use of information received under this
5 section in a manner prescribed by the Michigan association of
6 secondary school principals in cooperation with the presidents
7 council, state universities of Michigan.

8 Sec. 602. From the amount appropriated in part 1 for state
9 universities, the state universities shall inform Michigan
10 community colleges regarding the academic status of community
11 college transfer students in a manner prescribed by the presidents
12 council, state universities of Michigan in cooperation with the
13 Michigan community college association.

14 **GENERAL REPORTS AND AUDITS**

15 Sec. 701. (1) The auditor general shall review higher
16 education institutional data inventory (HEIDI) enrollment data
17 submitted by all public universities and may perform audits of
18 selected public universities if determined necessary. The review
19 and audits shall be based upon the definitions, requirements, and
20 uniform reporting categories established by the state budget
21 director and the senate and house fiscal agencies. The auditor
22 general shall submit a report of findings to the house and senate
23 appropriations committees and the state budget director no later
24 than July 1, 2007.

25 (2) Student credit hours reports shall not include the
26 following:

1 (a) Student credit hours generated through instructional
2 activity by faculty or staff in classrooms located outside
3 Michigan, with the exception of instructional activity related to
4 study-abroad programs or field programs.

5 (b) Student credit hours generated through distance learning
6 instruction for students not paying the institution's resident
7 tuition rate.

8 (c) Student credit hours generated through credit by
9 examination.

10 (d) Student credit hours generated through inmate prison
11 programs regardless of teaching location.

12 (e) Student credit hours generated in new degree programs
13 after January 1, 1975, that have not been specifically authorized
14 for funding by the legislature, except spin-off programs converted
15 from existing core programs that do all of the following:

16 (i) Represent new options, fields, or concentrations within
17 existing programs.

18 (ii) Are consistent with the current institutional role and
19 mission.

20 (iii) Are accommodated within the continuing funding base of the
21 institution.

22 (iv) Do not require a new degree level beyond that which the
23 institution is currently authorized to grant within that discipline
24 or field.

25 (v) Do not require funding from the state other than that
26 provided by the student credit hours generated within the program,
27 either before program initiation or within the first 3 years of

1 program operation.

2 (3) The auditor general shall periodically audit higher
3 education institutional data inventory (HEIDI) data as submitted by
4 the state universities for compliance with the definitions approved
5 by the HEIDI advisory committee for the HEIDI database.

6 (4) "Distance learning instruction" as used in subsection (2)
7 means instruction that occurs in other than a traditional classroom
8 setting where the student and instructor are in the same physical
9 location and for which a student receives course credits and is
10 charged tuition and fees. Examples of distance learning instruction
11 are instruction delivered solely through the Internet, cable
12 television, teleconference, or mail.

13 Sec. 701a. (1) Pursuant to section 701(2)(e), the following
14 degree programs may be established:

15 (a) Bachelors

16 Central Michigan University, Biochemistry, B.S. & B.A.

17 Eastern Michigan University, 3 + 2 Combined B.S./M.P.A.,
18 B.S./M.P.A.

19 Eastern Michigan University, K-12 Teacher Certification in
20 German, B.A.

21 Eastern Michigan University, K-12 Teacher Certification in
22 Spanish, B.A.

23 Eastern Michigan University, Physical Science, B.S.

24 Ferris State University, Early Childhood Education, B.S.

25 Grand Valley State University, Exercise Science, B.S.

26 Lake Superior State University, Industrial Technology, B.S.

27 Michigan State University, Global and Area Studies, B.A. &

1 B.S.
2 Michigan Technological University, Exercise Science, B.S.
3 Oakland University, Business Economics, B.S.
4 Oakland University, Information Technology, B.S.
5 Saginaw Valley State University, Bachelor of Science in Health
6 Science, B.S.
7 University of Michigan-Ann Arbor, Public Policy, B.A.
8 University of Michigan-Dearborn, Women and Gender Studies,
9 B.A.
10 Wayne State University, Major in Asian Studies, B.A.
11 (b) Masters
12 Saginaw Valley State University, Master of Science in
13 Leadership Health, M.S.
14 University of Michigan-Ann Arbor, Natural Resources and
15 Environment-Sustainable Systems, M.S.
16 University of Michigan-Flint, Specialization in Special
17 Education within the Master of Arts Program, M.A. in Ed.
18 Wayne State University, Industrial/Organizational Psychology,
19 M.A.
20 Wayne State University, M.S. in Alternative Energy
21 Technologies, M.S.
22 (c) Doctoral
23 Grand Valley State University, Educational Specialist in
24 Leadership, Ed. S.
25 Michigan State University, Chicano/Latino Studies, Ph.D.
26 Michigan Technological University, Biomedical Engineering,
27 Ph.D.

1 University of Michigan-Ann Arbor, Design Science, Ph.D.

2 University of Michigan-Ann Arbor, Screen Arts and Cultures,
3 Ph.D.

4 Wayne State University, Social Work, Ph.D.

5 (2) The listing of degree programs in subsection (1) does not
6 constitute legislative intent to provide additional dollars for
7 those programs.

8 (3) When submitting the listing of new degree programs for
9 future fiscal years, the presidents council shall also provide a
10 listing of degree programs that will no longer be offered in
11 subsequent academic years.

12 Sec. 702. The principal executive officer of each institution
13 of higher education receiving an appropriation under this article
14 shall expend a portion of the funds appropriated to that
15 institution to make a report to the auditor general, the house and
16 senate fiscal agencies, and the state budget director within 60
17 days after the auditor general issues his or her report on the
18 operation of the institution. The institution's report shall
19 specify all of the following:

20 (a) The recommendations of the auditor general implemented by
21 the institution, including projected dates and resources required,
22 if any, to achieve compliance.

23 (b) The recommendations of the auditor general not implemented
24 by the institution or implemented by the institution as modified.

25 (c) The rationale for not implementing a recommendation of the
26 auditor general or of implementing a recommendation as modified.

27 Sec. 708. The auditor general may conduct performance audits

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of state universities during the fiscal year ending September 30, 2007 as the auditor general considers necessary.

Sec. 709. An institution receiving funds under this article and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Sec. 711. Not later than May 31, 2007, each of Michigan's public universities shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the efforts of the university to increase the number of education degrees conferred for teaching [in critical shortage areas, as determined by the superintendent of public instruction].

[Sec. 712. Not later than February 1, 2007, each of Michigan's public universities shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on all of the following for academic year 2005-2006 for the university:

(a) The amount of private, state, and federal research funding sought after, pledged, or received.

(b) The number of businesses, companies, or organizations that used licensed or patented technology developed at the university.

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1 (c) How many of those businesses, companies, or organizations are
2 domiciled in the state of Michigan and whose primary business location is
3 the state of Michigan.

4 (d) How many jobs were created in Michigan as a direct result of
5 any new businesses, companies, or organizations that were created or any
6 businesses, companies, or organizations that expanded, if known. The
7 university shall make a concerted effort to obtain this information.

8 (e) The length of time it took for the university to transfer its
9 technology outside the university. The metric used to measure technology
10 transfer shall be the date of disclosure to the date a licensure or
11 option agreement is executed.

12 (f) The number of patent applications filed by that university, the
13 number of patents granted to that university, and the number of those
14 patents that were used commercially within the state of Michigan.

15 (g) Intellectual property rights policies.

16 (h) The number of jobs created or retained in the state of Michigan
17 that are directly attributable to research and technology transfer at the
18 university, if known. The university shall make a concerted effort to
19 obtain this information.

20 (i) The number of students who graduated from the university with an
21 advanced degree in mathematics, science, health care, or engineering, and
the number of those graduates that remained in Michigan to work and how
long and in what capacity they plan to work, if known. The university
shall make a concerted effort to obtain this information.]

22 ARTICLE 9

23 HISTORY, ARTS, AND LIBRARIES

24 PART 1

25 LINE-ITEM APPROPRIATIONS

26 Sec. 101. Subject to the conditions set forth in this article,

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the amounts listed in this part are appropriated for the department of history, arts, and libraries for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 232.0

GROSS APPROPRIATION..... \$ [55,363,700]

Total interdepartmental grants and intradepartmental

transfers 79,000

ADJUSTED GROSS APPROPRIATION..... \$ [55,284,700]

Total federal revenues..... 8,450,900

Total local revenues..... 0

Total private revenues..... 577,400

Total other state restricted revenues..... 2,581,200

State general fund/general purpose..... \$ [43,675,200]

Sec. 102. DEPARTMENT OPERATIONS (THRIVING ECONOMY)

Full-time equated classified positions..... 30.0

Unclassified salaries..... \$ 222,300

Management services--29.0 FTE positions..... 2,090,600

Building occupancy charges and rent 3,180,100

Worker's compensation..... 14,000

Office of film and television services--1.0 FTE

position 175,000

Human resources optimization user charges 16,100

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1	GROSS APPROPRIATION.....	\$	5,698,100
2	Appropriated from:		
3	State general fund/general purpose.....	\$	5,698,100
4	Sec. 103. INFORMATION TECHNOLOGY (THRIVING ECONOMY)		
5	Information technology services and projects.....	\$	<u>953,100</u>
6	GROSS APPROPRIATION.....	\$	953,100
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	Special revenue funds:		
10	Mackinac Island state park fund.....		46,900
11	State general fund/general purpose.....	\$	906,200
12	Sec. 104. MICHIGAN COUNCIL FOR ARTS AND CULTURAL		
13	AFFAIRS (THRIVING ECONOMY)		
14	Full-time equated classified positions..... 9.0		
15	Administration--9.0 FTE positions.....	\$	726,600
16	Arts and cultural grants.....		<u>[10,594,300]</u>
17	GROSS APPROPRIATION.....	\$	<u>[11,320,900]</u>
18	Appropriated from:		
19	Federal revenues:		
20	NFAH-NEA, promotion of the arts, partnership		
21	agreements		700,000
22	State general fund/general purpose.....	\$	<u>[10,620,900]</u>
23	Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION		
24	(THRIVING ECONOMY)		
25	Full-time equated classified positions..... 39.0		
26	Mackinac Island park operation--24.3 FTE positions...	\$	1,489,000
27	Historical facilities system--14.7 FTE positions		<u>1,928,600</u>

1	GROSS APPROPRIATION.....	\$	3,417,600
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	Federal revenues:		
5	Federal funds.....		200,000
6	Special revenue funds:		
7	Mackinac Island state park fund.....		1,521,200
8	Mackinac Island state park operation fund.....		154,500
9	State general fund/general purpose.....	\$	1,541,900
10	Sec. 106. MICHIGAN HISTORICAL PROGRAM (THRIVING		
11	ECONOMY)		
12	Full-time equated classified positions.....	83.0	
13	Federal programs--12.0 FTE positions.....	\$	1,993,500
14	Heritage publications.....		700,000
15	Historical administration and services--71.0 FTE		
16	positions		5,369,500
17	Private grants and gifts.....		502,400
18	Thunder Bay national marine sanctuary and underwater		
19	preserve		<u>197,500</u>
20	GROSS APPROPRIATION.....	\$	8,762,900
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG-MDOT, comprehensive transportation fund.....		3,400
24	IDG-MDOT, state aeronautics fund.....		2,100
25	IDG-MDOT, state trunkline fund.....		73,500
26	Federal revenues:		
27	DOI-NPS, historic preservation grants-in-aid.....		1,419,000

1	Federal funds.....		574,500
2	Special revenue funds:		
3	Private - grants and gifts.....		400,000
4	Private - Mann house trust fund.....		102,400
5	Game and fish protection fund.....		2,400
6	Heritage publication fund.....		700,000
7	Marine safety fund.....		500
8	Special revenue, internal service and pension trust ..		49,400
9	State lottery fund.....		18,800
10	Waterways fund.....		600
11	State general fund/general purpose.....	\$	5,416,300
12	Sec. 107. LIBRARY OF MICHIGAN (THRIVING ECONOMY)		
13	Full-time equated classified positions.....	71.0	
14	Book distribution centers.....	\$	350,000
15	Collected gifts and fees.....		161,900
16	Library of Michigan operations--71.0 FTE positions ...		6,543,800
17	Library services and technology act.....		5,557,400
18	State aid to libraries.....		7,443,200
19	State aid to cooperative libraries.....		4,649,800
20	Subregional state aid.....		<u>505,000</u>
21	GROSS APPROPRIATION.....	\$	25,211,100
22	Appropriated from:		
23	Federal revenues:		
24	Library services and technology act.....		5,557,400
25	Special revenue funds:		
26	Private - gifts and bequests revenues.....		75,000
27	User fees.....		86,900

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1 State general fund/general purpose \$ 19,491,800

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state
6 constitution of 1963, total state spending from state resources
7 under part 1 for fiscal year 2006-2007 is [\$46,256,400.00] and state
8 spending from state resources to be paid to local units of
9 government for fiscal year 2006-2007 is \$14,008,900.00. The
10 itemized statement below identifies appropriations from which
11 spending to units of local government will occur:

12 DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

13	Arts and cultural grants	\$	1,410,900
14	State aid to libraries		7,443,200
15	State aid to cooperative libraries		4,649,800
16	Subregional state aid		<u>505,000</u>
17	Total department of history, arts, and libraries	\$	14,008,900

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

21 Sec. 203. As used in this appropriation article:

22 (a) "Department" means the department of history, arts, and
23 libraries.

24 (b) "Director" means the director of the department of
25 history, arts, and libraries.

1 (c) "DOI-NPS" means the United States department of interior,
2 national park service.

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

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

6 (f) "IDG" means interdepartmental grant.

7 (g) "MCACA" means the Michigan council for arts and cultural
8 affairs.

9 (h) "MDOT" means the Michigan department of transportation.

10 (i) "NEA" means the national endowment for the arts.

11 (j) "NFAH" means the national foundation of the arts and the
12 humanities.

13 (k) "Subcommittees" means all members of the appropriate
14 subcommittees of the senate and house of representatives
15 appropriations committees.

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

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

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

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

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

24 Sec. 209. Funds appropriated in part 1 shall not be used for
25 the purchase of foreign goods or services, or both, if
26 competitively priced and of comparable quality American goods or
27 services, or both, are available. Preference should be given to

1 goods or services, or both, manufactured or provided by Michigan
2 businesses if they are competitively priced and of comparable
3 quality.

4 Sec. 213. From the funds appropriated in part 1 for
5 information technology, departments and agencies shall pay user
6 fees to the department of information technology for technology
7 related services and projects. The user fees shall be subject to
8 provisions of an interagency agreement between the departments and
9 agencies and the department of information technology.

10 Sec. 214. Amounts appropriated in part 1 for information
11 technology may be designated as work projects and carried forward
12 to support technology projects under the direction of the
13 department of information technology. Funds designated in this
14 manner are not available for expenditure until approved as work
15 projects under section 451a of the management and budget act, 1984
16 PA 431, MCL 18.1451a.

17 Sec. 215. (1) The department may provide and enter into
18 agreements to provide general services, training, meetings,
19 information, special equipment, software, and facility use, and
20 technical consulting services to other principal executive
21 departments, state agencies, local units of government, the
22 judicial branch of government, other organizations, and patrons of
23 department facilities. Fees for services shall be reasonably
24 related to the cost of providing the services and shall be used to
25 offset the costs of the services. The department may receive and
26 expend funds in addition to those authorized in part 1 for the
27 following:

1 (a) Supplying census-related information and technical
2 services, publications, statistical studies, population projections
3 and estimates, and other demographic products.

4 (b) Microfilming and other document and data imaging services,
5 media, storage, and copies.

6 (c) Patron copier and document reproduction services and
7 copies.

8 (d) Conferences, training classes, exhibits, programs, and
9 workshops conducted as part of the department's mission.

10 (e) Use of specialized equipment, facilities, and software
11 that permit distance learning and meetings, and group decision
12 making.

13 (f) Special services including the rental of department
14 exhibits and collections.

15 (g) Application fees.

16 (h) Grants, gifts, and bequests, including those for capital
17 projects.

18 (2) The funds received under this section may be deposited and
19 expended from the history, arts, and libraries fund established in
20 section 216 of this article.

21 Sec. 216. (1) A fund known as the history, arts, and libraries
22 fund is created in the department. The fund shall be used to
23 receive and expend funds in addition to those authorized in part 1.
24 The fund balance may be carried forward for expenditure in
25 subsequent fiscal years.

26 (2) The department shall provide a report to the senate and
27 house of representatives appropriations subcommittees on history,

1 arts, and libraries of all revenues to and expenditures from the
2 history, arts, and libraries fund. The report shall include an
3 estimated fund balance for the fiscal year ending September 30,
4 2007. The report is due November 1, 2007.

5 Sec. 217. (1) Due to the current budgetary problems in this
6 state, out-of-state travel for the fiscal year ending September 30,
7 2007 shall be limited to situations in which 1 or more of the
8 following conditions apply:

9 (a) The travel is required by legal mandate or court order or
10 for law enforcement purposes.

11 (b) The travel is necessary to protect the health or safety of
12 Michigan citizens or visitors or to assist other states in similar
13 circumstances.

14 (c) The travel is necessary to produce budgetary savings or to
15 increase state revenues, including protecting existing federal
16 funds or securing additional federal funds.

17 (d) The travel is necessary to comply with federal
18 requirements.

19 (e) The travel is necessary to secure specialized training for
20 staff that is not available within this state.

21 (f) The travel is financed entirely by federal or nonstate
22 funds.

23 (2) If out-of-state travel is necessary but does not meet 1 or
24 more of the conditions in subsection (1), the state budget director
25 may grant an exception to allow the travel. Any exceptions granted
26 by the state budget director shall be reported on a monthly basis
27 to the senate and house of representatives appropriations

1 committees.

2 (3) Not later than January 1 of each year, each department
3 shall prepare a travel report listing all travel by classified and
4 unclassified employees outside this state in the immediately
5 preceding fiscal year that was funded in whole or in part with
6 funds appropriated in the department's budget. The report shall be
7 submitted to the chairs and members of the senate and house of
8 representatives appropriations committees, the fiscal agencies, and
9 the state budget director. The report shall include the following
10 information:

11 (a) The name of each person receiving reimbursement for travel
12 outside this state or whose travel costs were paid by this state.

13 (b) The destination of each travel occurrence.

14 (c) The dates of each travel occurrence.

15 (d) A brief statement of the reason for each travel
16 occurrence.

17 (e) The transportation and related costs of each travel
18 occurrence, including the proportion funded with state general
19 fund/general purpose revenues, the proportion funded with state
20 restricted revenues, the proportion funded with federal revenues,
21 and the proportion funded with other revenues.

22 (f) A total of all out-of-state travel funded for the
23 immediately preceding fiscal year.

24 Sec. 218. It is the intent of the legislature to explore
25 supplemental fund sourcing options for the department of history,
26 arts, and libraries.

27 Sec. 219. The department shall not take disciplinary action

1 against an employee for communicating with a member of the
2 legislature or his or her staff.

3 Sec. 220. The department shall publish the proposed minutes of
4 the Michigan film advisory commission on the Internet within 8
5 business days after the meeting to which the minutes refer.
6 Approved minutes of the Michigan film advisory commission shall be
7 posted on the Internet within 8 business days after their approval.

8 Sec. 221. (1) The department shall develop desired outcomes
9 and goals for all programs administered by the department and a
10 plan of action to achieve these outcomes and goals. The department
11 shall establish quantifiable performance standards to measure the
12 department's success in achieving its desired program outcomes and
13 goals. The department shall report to the senate and house of
14 representatives standing committees on appropriations by not later
15 than December 1, 2006 detailing these findings and shall include
16 the desired outcomes and goals for every program administered by
17 the department.

18 (2) By not later than April 1, 2007, the department shall
19 report to the senate and house of representatives standing
20 committees on appropriations all of the following:

21 (a) Its success in achieving the desired outcomes and goals.

22 (b) The quantifiable performance standards used to assess the
23 department's success in achieving the outcomes and goals.

24 (c) The reasons why any outcome or goal was not met.

25 (d) The department's plan of action for better achieving the
26 outcomes and goals in the future.

1 **MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

2 Sec. 401. (1) The MCACA in the department shall administer the
3 arts and cultural grants appropriated in part 1.

4 (2) The MCACA shall render fair and independent decisions
5 concerning arts and cultural grant requests and shall do all of the
6 following:

7 (a) Use published criteria to evaluate program quality.

8 (b) Seek to award grants on an equitable geographic basis to
9 the extent possible given the quality of grant applications
10 received.

11 (c) Give priority to projects that serve multiple counties,
12 leverage significant additional public and private investment, or
13 demonstrate a significant potential to increase tourism or attract
14 or retain businesses or residents.

15 (d) Not award funding to the Ann Arbor film festival, or its
16 successor, for a period of 2 fiscal years beginning October 1,
17 2006.

18 (3) The MCACA shall not award a grant unless the proposed
19 grant recipient agrees to both of the following:

20 (a) The grant will not be used to fund a project or activity
21 that includes a display of human waste on religious symbols, a
22 display of a sex act, or a depiction of flag desecration.

23 (b) A project or activity funded from the grant will not be
24 displayed or performed in conjunction with an event or exhibition
25 that includes a display or depiction for which funding is
26 prohibited under subdivision (a).

27 (4) The MCACA shall provide for fair, equitable, and efficient

1 distribution of funds granted through the regional regranting
2 program. The MCACA shall provide for an annual assessment of grant
3 management and distribution of mini-grant awards by designated
4 regional regranting agencies and review the methodology employed.

5 (5) The MCACA shall continue and expand its efforts to
6 encourage and support nonprofit arts and cultural organizations to
7 transition from solely volunteer-based organizations to
8 professionally directed operations. Criteria for support include
9 the requirement of collaboration between these organizations and
10 other community organizations.

11 (6) The department shall withhold undistributed grant payments
12 from a grant recipient who violates the terms of the agreement
13 required under subsection (3) and may disqualify the grant
14 recipient from award of future grants for a period of not more than
15 5 years.

16 Sec. 402. The MCACA may award grants to counties, cities,
17 villages, townships, community foundations and organizations in the
18 following categories:

19 (a) Anchor organization program for organizations that serve
20 regional and statewide audiences. Anchor organizations shall
21 demonstrate a commitment to education, to mentoring smaller
22 organizations, and to reaching underserved audiences.

23 (b) Arts projects program.

24 (c) Arts and learning program.

25 (d) Artists in residence for education program.

26 (e) Arts organization development program.

27 (f) Capital improvement program.

1 (g) Local arts agencies services program.

2 (h) Regional regranting program.

3 (i) Partnership program.

4 (j) Rural arts and cultural program.

5 (k) Cultural projects program.

6 (l) Historical projects program.

7 (m) Discretionary grants program.

8 Sec. 403. (1) From the state funds appropriated in part 1 for
9 arts and cultural grants, no one organization may receive more than
10 16% of this funding. It is the intent of the legislature that this
11 percentage be reduced to 15% in fiscal year 2008.

12 (2) The MCACA shall make every effort to provide total grant
13 awards in the anchor organization program at a level not to exceed
14 70% of the total amount appropriated for arts and cultural grants.

15 (3) As documented in the audit report that is submitted as
16 part of the grant application process, the total of all grants
17 awarded to any organization receiving grants within the anchor
18 organization program may not exceed 15% of their "total
19 unrestricted revenues, gains, and other support," as defined by the
20 financial accounting standards board in the accounting standards
21 for not-for-profit organizations.

22 (4) Before any amount appropriated for arts and cultural
23 grants in part 1 may be expended for a grant to an eligible
24 recipient, the department shall execute a grant agreement with the
25 recipient. The grant agreement shall identify the projects funded,
26 specify the category in section 402 under which the grant is
27 awarded, and include the prohibitions and sanctions identified in

1 section 401(3) and (6).

2 Sec. 404. Grant applicants must meet and adhere to the
3 following requirements:

4 (a) Each applicant shall pay a nonrefundable application fee
5 of \$300.00 or 3% of the desired grant amount, whichever is less.
6 Application fees shall be deposited in the history, arts, and
7 libraries fund established in section 216. The department may use
8 the application fee to offset its direct and indirect costs.

9 (b) An applicant for a grant under the anchor organization
10 program shall submit with the application the applicant's most
11 recent annual audit report which states their "total unrestricted
12 revenues, gains, and other support," as defined by the financial
13 accounting standards board in the accounting standards for not-for-
14 profit organizations. The audit report must cover an audit period
15 that ends within 18 months of the date of the application.

16 (c) Each applicant shall identify proposed matching funds from
17 local and/or private sources on a dollar-for-dollar basis. The
18 dollar-for-dollar match may include the reasonable value of
19 services, materials, and equipment as allowed under the federal
20 internal revenue code for charitable contributions.

21 Sec. 405. Each grant recipient shall provide the MCACA with
22 the following:

23 (a) Proof of the entire amount of the matching funds,
24 services, materials, or equipment by the end of the award period.

25 (b) Within 30 days following the end of the grant period, a
26 final report that includes the following:

27 (i) Project revenues and expenditures including grant matching

1 fund amounts.

2 (ii) Number of patrons attracted or benefiting during the grant
3 period.

4 (iii) A narrative summary of each project and its outcome.

5 (c) By April 7 of the grant year, each recipient of a grant
6 greater than \$100,000.00 shall submit an interim report that
7 includes the items identified in subdivision (b).

8 Sec. 406. (1) The department shall make the following reports:

9 (a) A report identifying the website location that contains a
10 list of all grant recipients, sorted by county. This report shall
11 be provided to each legislator within 1 business day of the
12 announcement of annual awards by the MCACA.

13 (b) A report to the senate and house of representatives
14 appropriations subcommittees, the state budget office, and the
15 fiscal agencies, within 30 days after the MCACA announces the
16 annual grant awards, that includes all of the following:

17 (i) A listing of each applicant.

18 (ii) The county of residence of the applicant.

19 (iii) The amount requested.

20 (iv) The amount awarded.

21 (v) The grant category under which an applicant applied.

22 (vi) A summary of projects funded for each recipient.

23 (vii) The expected number of patrons for an applicant during
24 the grant period.

25 (viii) The amount of matching funds proposed by each applicant.

26 (ix) A listing containing the applicant, county of residence of
27 the applicant, and amount awarded for any regranted funds in the

House Bill No. 5796 (H-2) as amended May 24, 2006
preceding fiscal year.

(c) An annual report to the appropriations subcommittees, the state budget office, and the fiscal agencies is due when materials are first distributed by the MCACA seeking grant applications for the subsequent fiscal year. The report shall contain the following:

(i) The MCACA guidelines for awarding grants.

(ii) A summary of any changes in the program guidelines from the previous fiscal year.

(2) The council shall report to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries by August 1 all unexpended or unencumbered discretionary grant funding that is available. The council shall not redistribute any unexpended or unencumbered grant funds during the fiscal year without a 10-day notice to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries.

Sec. 407. It is the intent of the legislature to amend the income tax act of 1967, MCL 206.1 to 206.532, to create a designation on the Michigan income tax form for contributions to the Michigan council for arts and cultural affairs grant program.

[Sec. 408. From the funds appropriated in article 9, section 104, arts and cultural grants, at least \$800,000.00 shall be made available exclusively for grants to organizations that operate and maintain multi-cultural heritage centers as determined by the MCACA. These funds may be used to support programs or facility maintenance.]

MICHIGAN HISTORICAL PROGRAM

Sec. 501. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds

1 were reserved have been completed or are terminated. The purpose of
2 these work projects is the identification, designation, and
3 preservation of historic resources. The method used will be to
4 solicit applications, score applications based upon established
5 criteria, and award subgrants. The department shall execute a grant
6 agreement with each recipient. The total cost is \$200,000.00, and
7 the tentative completion date is September 30, 2007.

8 Sec. 502. Funds collected by the department under sections 3,
9 6, 7, and 7a of 1913 PA 271, MCL 399.3, 399.6, 399.7, and 399.7a,
10 are appropriated to the department for the purposes for which they
11 were received, are allocated for expenditure upon receipt and may
12 be carried forward for expenditure in subsequent fiscal years.

13 Sec. 503. For the purposes of administering the museum store
14 as provided in section 7a of 1913 PA 271, MCL 399.7a, the
15 department is exempt from section 261 of the management and budget
16 act, 1984 PA 431, MCL 18.1261.

17 Sec. 505. From the funds appropriated in part 1 for historical
18 administration and services, \$25,000.00 shall be allocated to
19 support the operations of the Michigan freedom trail commission as
20 specified in section 4 of the Michigan freedom trail commission
21 act, 1998 PA 409, MCL 399.84. These funds shall be used to
22 reimburse commission members, to pay for necessary contractual
23 services of the commission, and to hire not more than 1.0 FTE
24 position in the department's Michigan historical center to support
25 commission operations.

26 Sec. 506. Proceeds in excess of costs incurred in the conduct
27 of auctions, sales, or transfers of artifacts no longer considered

1 suitable for the collections of the state historical museum are
2 appropriated to the department and may be expended upon receipt for
3 additional material for the collection. The department shall notify
4 the chairpersons, vice chairpersons, and minority vice chairpersons
5 of the senate and house of representatives appropriations
6 subcommittees on history, arts, and libraries 1 week prior to any
7 auctions or sales.

8 Sec. 507. Unless prohibited by law, the department shall make
9 available to the historical society of Michigan the use of the
10 Michigan history magazine subscriber list, or a portion of the
11 Michigan history magazine subscriber list, at a cost not to exceed
12 the actual expense incurred for providing a single mailing.

13 Sec. 508. From the funds appropriated in part 1 in the
14 historical administration and services line item, \$100,000.00 shall
15 be used to fund a competitive historical grant program. Eligible
16 applicants include all state and local historical societies and the
17 state historical preservation network. Awards shall be made for
18 projects that can leverage additional public and private investment
19 and may involve, but are not limited to, capital improvements
20 projects, restorations, research, educational programs, and
21 publications.

22 LIBRARY OF MICHIGAN

23 Sec. 601. In order to receive subregional state aid as
24 appropriated in part 1 to the library of Michigan, a subregional
25 library's fiscal agency must agree to maintain local funding
26 support at the same level in the current fiscal year as in the

1 fiscal agency's preceding fiscal year. If a reduction in
2 expenditures equally affects all agencies in a local unit of
3 government that is the subregional library's fiscal agency, that
4 reduction shall not be interpreted as a reduction in local support
5 and shall not disqualify a subregional library from receiving state
6 aid under part 1. If a reduction in income affects a library
7 cooperative or district library that is a subregional library's
8 fiscal agency or a reduction in expenditures for the subregional
9 library's fiscal agency, a reduction in expenditures for the
10 subregional library shall not be interpreted as a reduction in
11 local support and shall not disqualify a subregional library from
12 receiving state aid under part 1.

13 Sec. 602. The funds appropriated in part 1 for a subregional
14 library shall not be released until a budget for that subregional
15 library has been approved by the department for expenditures for
16 library services directly serving the blind and persons with
17 disabilities. Subregional state aid shall be used only for
18 providing services to the blind and to persons with disabilities.

19 Sec. 603. Of the funds appropriated in part 1 for the
20 operation of the library of Michigan, a portion may be used for
21 statewide database access such as making computerized databases,
22 searches of those databases, and the products of those searches
23 available through the libraries of Michigan. Only those libraries
24 that qualify under the federal library services and technology act,
25 subtitle B of title II of the museum and library services act,
26 title II of the arts, humanities, and cultural affairs act of 1976,
27 Public Law 94-462, 110 Stat. 3009-295, are eligible to participate

1 in these activities.

2 Sec. 607. The funds appropriated in part 1 for book
3 distribution centers shall be equally distributed to the public
4 enrichment foundation and the Michigan friends of education.

5 ARTICLE 10
6 HUMAN SERVICES
7 PART 1

8 LINE-ITEM APPROPRIATIONS

9 Sec. 101. Subject to the conditions set forth in this article,
10 the amounts listed in this part are appropriated for the department
11 of human services for the fiscal year ending September 30, 2007,
12 from the funds indicated in this part. The following is a summary
13 of the appropriations in this part:

14 **DEPARTMENT OF HUMAN SERVICES**

15 APPROPRIATION SUMMARY:

16	Full-time equated classified positions.....	10,243.7	
17	Full-time equated unclassified positions.....	5.0	
18	Total full-time equated positions.....	10,248.7	
19	GROSS APPROPRIATION.....		\$ 4,426,205,300
20	Interdepartmental grant revenues:		
21	Total interdepartmental grants and intradepartmental		
22	transfers		1,102,700
23	ADJUSTED GROSS APPROPRIATION.....		\$ 4,425,102,600
24	Federal revenues:		
25	Total federal revenues.....		3,145,059,800

House Bill No. 5796 (H-2) as amended May 24, 2006

1	Special revenue funds:	
2	Total private revenues.....	9,914,100
3	Total local revenues.....	[52,939,500]
4	Total other state restricted revenues.....	66,868,600
5	State general fund/general purpose.....	\$ [1,150,320,600]
6	Sec. 102. EXECUTIVE OPERATIONS (VULNERABLE)	
7	Full-time equated unclassified positions.....	5.0
8	Full-time equated classified positions.....	434.3
9	Unclassified salaries--5.0 FTE positions.....	\$ 537,200
10	Salaries and wages--298.3 FTE positions.....	15,940,400
11	Contractual services, supplies, and materials.....	5,928,600
12	Demonstration projects--12.0 FTE positions.....	7,037,600
13	Inspector general salaries and wages--106.0 FTE	
14	positions	5,731,100
15	Electronic benefit transfer EBT.....	7,333,600
16	Office of professional development--12.0 FTE positions	2,340,400
17	Michigan community service commission--6.0 FTE	
18	positions	9,430,800
19	State office of administrative hearings and rules	<u>3,214,300</u>
20	GROSS APPROPRIATION.....	\$ 57,494,000
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues.....	37,217,200
24	Special revenue funds:	
25	Total private revenues.....	2,199,600
26	Total local revenues.....	200,000
27	State general fund/general purpose.....	\$ 17,876,700

1	Sec. 103. CHILD SUPPORT ENFORCEMENT (VULNERABLE)		
2	Full-time equated classified positions.....	213.7	
3	Child support enforcement operations--207.7 FTE		
4	positions		\$ 22,980,200
5	Legal support contracts.....		142,753,600
6	Child support incentive payments.....		32,409,600
7	State disbursement unit--6.0 FTE positions.....		<u>18,481,900</u>
8	GROSS APPROPRIATION.....		\$ 216,625,300
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues.....		197,714,500
12	Special revenue funds:		
13	Total local revenues.....		940,000
14	Total private revenues.....		0
15	Total other state restricted revenues.....		0
16	State general fund/general purpose.....		\$ 17,970,800
17	Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY		
18	(VULNERABLE)		
19	Full-time equated classified positions.....	16.0	
20	Bureau of community action and economic opportunity		
21	operations--16.0 FTE positions.....		\$ 1,721,300
22	Community services block grants.....		27,159,900
23	Weatherization assistance.....		<u>18,460,200</u>
24	GROSS APPROPRIATION.....		\$ 47,341,400
25	Appropriated from:		
26	Federal revenues:		
27	Total federal revenues.....		47,341,400

1	Special revenue funds:		
2	State general fund/general purpose	\$	0
3	Sec. 105. ADULT AND FAMILY SERVICES (VULNERABLE)		
4	Full-time equated classified positions.....	49.2	
5	Executive direction and support--6.0 FTE positions ...	\$	505,900
6	Domestic violence prevention and treatment--5.5 FTE		
7	positions		14,629,000
8	Rape prevention and services		2,600,000
9	Guardian contract.....		600,000
10	Adult services policy and administration--6.0 FTE		
11	positions		609,300
12	Income support policy and administration--31.7 FTE		
13	positions		6,050,200
14	Employment and training support services		33,489,700
15	Wage employment verification reporting		848,700
16	Urban and rural empowerment/enterprise zones		100
17	Nutrition education.....		8,569,900
18	Marriage and fatherhood initiatives		1,450,000
19	Homeless prevention and elder law of Michigan food for		
20	the elderly project		<u>250,000</u>
21	GROSS APPROPRIATION.....	\$	69,602,800
22	Appropriated from:		
23	Federal revenues:		
24	Total federal revenues		58,512,900
25	Special revenue funds:		
26	State general fund/general purpose	\$	11,089,900
27	Sec. 106. CHILD AND FAMILY SERVICES (VULNERABLE)		

1	Full-time equated classified positions.....	81.7	
2	Salaries and wages--29.7 FTE positions		\$ 1,775,300
3	Contractual services, supplies, and materials		1,034,800
4	Refugee assistance program--2.9 FTE positions		12,700,300
5	Foster care payments.....		144,101,600
6	Wayne County foster care payments.....		62,546,500
7	Adoption subsidies.....		233,968,600
8	Adoption support services--7.7 FTE positions		14,354,700
9	Youth in transition--2.0 FTE positions		13,241,100
10	Interstate compact.....		231,600
11	Children's benefit fund donations		21,000
12	Teenage parent counseling--2.3 FTE positions		3,815,800
13	Families first.....		16,946,700
14	Child safety and permanency planning.....		16,286,700
15	Strong families/safe children.....		13,395,300
16	Child protection/community partners--18.3 FTE		
17	positions		5,539,400
18	Zero to three.....		4,367,800
19	Family group decision making.....		2,454,700
20	Family reunification program.....		3,977,100
21	Family preservation and prevention services		
22	administration--14.5 FTE positions.....		2,252,300
23	Black child and family institute.....		100,000
24	Children's trust fund administration--4.3 FTE		
25	positions		552,600
26	Children's trust fund grants.....		3,825,100
27	Attorney general contract.....		3,209,200

1	Prosecuting attorney contracts		<u>1,061,700</u>
2	GROSS APPROPRIATION	\$	561,759,900
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues		346,633,600
6	Special revenue funds:		
7	Private - children's benefit fund donations		21,000
8	Private - collections		3,840,600
9	Local funds - county chargeback		24,538,000
10	Children's trust fund		3,326,900
11	State general fund/general purpose	\$	183,399,800
12	Sec. 107. JUVENILE JUSTICE SERVICES (SAFETY)		
13	Full-time equated classified positions	714.5	
14	High security juvenile services--311.0 FTE positions .	\$	28,286,000
15	Medium security juvenile services--254.0 FTE positions		19,607,400
16	Low security juvenile services--34.0 FTE positions ...		3,022,800
17	Community juvenile justice centers--37.0 FTE positions		3,408,700
18	Child care fund		173,000,000
19	Child care fund in-home incentive program		10,000,000
20	Child care fund administration--5.8 FTE positions		848,300
21	County juvenile officers		3,765,600
22	Community support services--2.0 FTE positions		1,492,200
23	Juvenile justice field staff, administration and		
24	maintenance--50.0 FTE positions		8,033,500
25	Federally funded activities--13.7 FTE positions		1,816,200
26	W.J. Maxey memorial fund		45,000
27	Juvenile accountability incentive block grant--3.0 FTE		

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1	positions	2,606,700
2	Committee on juvenile justice administration--4.0 FTE	
3	positions	496,500
4	Committee on juvenile justice grants	<u>5,000,000</u>
5	GROSS APPROPRIATION.....	\$ 261,428,900
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues	108,553,100
9	Special revenue funds:	
10	Total private revenues	645,000
11	[]
12	Local funds - county chargeback	26,742,800
13	State general fund/general purpose	\$ [125,488,000]
14	Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS	
15	(VULNERABLE)	
16	Full-time equated classified positions..... 7,957.9	
17	Field staff, salaries and wages--7,809.1 FTE positions	\$ 379,952,900
18	Contractual services, supplies, and materials	18,070,700
19	Medical/psychiatric evaluations	4,300,000
20	Donated funds positions--11.0 FTE positions	829,500
21	Training and program support--49.0 FTE positions	7,022,200
22	Food stamp reinvestment--78.8 FTE positions	11,315,300
23	Wayne County gifts and bequests	100,000
24	Volunteer services and reimbursement	1,544,900
25	SSI advocates--10.0 FTE positions	<u>3,153,900</u>
26	GROSS APPROPRIATION.....	\$ 426,289,400
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	253,139,200
3	Special revenue funds:	
4	Local funds - donated funds.....	214,300
5	Private funds - donated funds.....	178,200
6	Private funds - Wayne County gifts.....	100,000
7	Private funds - hospital contributions.....	1,910,300
8	Supplemental security income recoveries.....	853,900
9	State general fund/general purpose.....	\$ 169,893,500
10	Sec. 109. DISABILITY DETERMINATION SERVICES	
11	(VULNERABLE)	
12	Full-time equated classified positions.....	568.4
13	Disability determination operations--	545.9 FTE
14	positions	\$ 80,510,700
15	Medical consultation program--	18.4 FTE positions
16	Retirement disability determination--	4.1 FTE positions
17	GROSS APPROPRIATION.....	\$ 84,267,000
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG from DMB - office of retirement systems.....	1,102,700
21	ADJUSTED GROSS APPROPRIATION.....	\$ 83,164,300
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	80,189,700
25	Special revenue funds:	
26	State general fund/general purpose.....	\$ 2,974,600
27	Sec. 110. CENTRAL SUPPORT ACCOUNTS (VULNERABLE,	

1	EFFECTIVE GOVERNMENT)		
2	Rent.....	\$	42,481,300
3	Occupancy charge.....		9,361,400
4	Travel.....		5,693,700
5	Equipment.....		145,300
6	Worker's compensation.....		4,231,000
7	Advisory commissions.....		17,900
8	Human resources optimization user charges.....		634,500
9	Payroll taxes and fringe benefits.....		<u>242,537,100</u>
10	GROSS APPROPRIATION.....	\$	305,102,200
11	Appropriated from:		
12	Federal revenues:		
13	Total federal revenues.....		187,924,200
14	Special revenue funds:		
15	Local funds - county chargeback.....		304,400
16	Private funds - hospital contributions.....		1,019,400
17	State general fund/general purpose.....	\$	115,854,200
18	Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING		
19	(SAFETY)		
20	Full-time equated classified positions.....	208.0	
21	AFC, children's welfare and day care licensure--	208.0	
22	FTE positions	\$	<u>22,608,600</u>
23	GROSS APPROPRIATION.....	\$	22,608,600
24	Appropriated from:		
25	Federal revenues:		
26	Total federal revenues.....		11,880,000
27	Special revenue funds:		

1	Licensing fees.....	646,400
2	Health systems fees and collections.....	115,900
3	State general fund/general purpose.....	\$ 9,966,300
4	Sec. 112. PUBLIC ASSISTANCE (VULNERABLE)	
5	Family independence program.....	\$ 293,092,200
6	State disability assistance payments.....	34,721,700
7	Food assistance program benefits.....	1,221,340,900
8	State supplementation.....	59,535,200
9	State supplementation administration.....	2,493,200
10	Low-income home energy assistance program.....	116,467,700
11	Food bank funding.....	525,000
12	Homeless shelter contracts.....	11,646,700
13	Multicultural assimilation funding.....	1,715,500
14	Indigent burial.....	5,909,300
15	Emergency services local office allocations.....	21,865,500
16	Day care services.....	<u>468,289,000</u>
17	GROSS APPROPRIATION.....	\$ 2,237,601,900
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	1,718,722,500
21	Special revenue funds:	
22	Child support collections.....	47,710,700
23	Supplemental security income recoveries.....	9,104,800
24	Public assistance recoupment revenue.....	5,110,000
25	State general fund/general purpose.....	\$ 456,953,900
26	Sec. 113. INFORMATION TECHNOLOGY (VULNERABLE,	
27	EFFECTIVE GOVERNMENT)	

1	Information technology services and projects	\$	84,803,600
2	Child support automation.....		<u>51,280,300</u>
3	GROSS APPROPRIATION.....	\$	136,083,900
4	Appropriated from:		
5	Federal revenues:		
6	Total federal revenues.....		97,231,000
7	Special revenue funds:		
8	State general fund/general purpose	\$	38,852,900

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 2006-2007 is \$1,214,139,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$85,607,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

PERMANENCY FOR CHILDREN

21	Child care fund.....	\$	80,218,400
22	County juvenile officers.....		3,269,100
23	OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY		
24	State disability program.....	\$	<u>2,120,300</u>
25	TOTAL.....	\$	85,607,800

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

4 Sec. 203. As used in this article:

5 (a) "AFC" means adult foster care.

6 (b) "Department" means the department of human services.

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

8 (d) "GED" means general educational development.

9 (e) "RSDI" means retirement survivors disability insurance.

10 (f) "SSI" means supplemental security income.

11 (g) "Temporary assistance for needy families" or "TANF" or
12 "title IV-A" means part A of title IV of the social security act,
13 42 USC 601 to 604, 605 to 608, and 609 to 619.

14 (h) "Title IV-D" means part D of title IV of the social
15 security act, 42 USC 651 to 655, and 656 to 669b.

16 (i) "Title IV-E" means part E of title IV of the social
17 security act, 42 USC 670 to 673, 673b to 679, and 679b.

18 (j) "VA" means veterans affairs.

19 Sec. 204. The department of civil service shall bill the
20 department at the end of the first fiscal quarter for the 1% charge
21 authorized by section 5 of article XI of the state constitution of
22 1963. Payments shall be made for the total amount of the billing by
23 the end of the second fiscal quarter.

24 Sec. 205. (1) A hiring freeze is imposed on the state
25 classified civil service. State departments and agencies are
26 prohibited from hiring any new full-time state classified civil
27 service employees and prohibited from filling any vacant state

1 classified civil service positions. This hiring freeze does not
2 apply to internal transfers of classified employees from 1 position
3 to another within a department.

4 (2) The state budget director may grant exceptions to this
5 hiring freeze when the state budget director believes that the
6 hiring freeze will result in rendering a state department or agency
7 unable to deliver basic services, cause loss of revenue to the
8 state, result in the inability of the state to receive federal
9 funds, or necessitate additional expenditures that exceed any
10 savings from maintaining a vacancy. The state budget director shall
11 report quarterly to the chairpersons of the senate and house of
12 representatives appropriations committees and the senate and house
13 fiscal agencies and policy offices on the number of exceptions to
14 the hiring freeze approved during the previous quarter and the
15 reasons to justify the exception.

16 Sec. 207. At least 60 days before beginning any effort to
17 privatize services, the department shall submit a complete project
18 plan to the appropriate senate and house of representatives
19 appropriations subcommittees and the senate and house fiscal
20 agencies. The plan shall include the criteria under which the
21 privatization initiative will be evaluated. Sanctions, suspensions,
22 conditions for provisional license status, and other penalties
23 shall not be more stringent for private service providers than for
24 public entities performing equivalent or similar services. Private
25 service providers or licensees shall not be granted preferential
26 treatment or deemed automatically in compliance with administrative
27 rules based on whether they have collective bargaining agreements

1 with direct care workers. Private service providers or licensees
2 without collective bargaining agreements shall not be subjected to
3 additional requirements or conditions of licensure based on their
4 lack of such collective bargaining agreements. The evaluation shall
5 be completed and submitted to the appropriate senate and house of
6 representatives appropriations subcommittees and the senate and
7 house fiscal agencies within 9 months.

8 Sec. 208. Unless otherwise specified, the department shall use
9 the Internet to fulfill the reporting requirements of this article.
10 This shall include transmission of reports via electronic mail,
11 including a link to the Internet site, to the recipients identified
12 for each reporting requirement, or it may include placement of
13 reports on the Internet or Intranet site. On an annual basis, the
14 department shall provide a cumulative listing of the reports to the
15 house and senate appropriations subcommittees and the house and
16 senate fiscal agencies and policy offices.

17 Sec. 209. Funds appropriated in part 1 shall not be used for
18 the purchase of foreign goods or services, or both, if
19 competitively priced and comparable quality American goods or
20 services, or both, are available. Preference should be given to
21 goods or services, or both, manufactured or provided by Michigan
22 businesses if they are competitively priced and of comparable
23 value.

24 Sec. 210. The director shall take all reasonable steps to
25 ensure businesses in deprived and depressed communities compete for
26 and perform contracts to provide services or supplies, or both. The
27 director shall strongly encourage firms with which the department

1 contracts to subcontract with certified businesses in depressed and
2 deprived communities for services, supplies, or both.

3 Sec. 212. In addition to funds appropriated in part 1 for all
4 programs and services, there is appropriated for write-offs of
5 accounts receivable, deferrals, and for prior year obligations in
6 excess of applicable prior year appropriations, an amount equal to
7 total write-offs and prior year obligations, but not to exceed
8 amounts available in prior year revenues or current year revenues
9 that are in excess of the authorized amount.

10 Sec. 213. (1) The department may retain all of the state's
11 share of food assistance overissuance collections as an offset to
12 general fund/general purpose costs. Retained collections shall be
13 applied against federal funds deductions in all appropriation units
14 where department costs related to the investigation and recoupment
15 of food assistance overissuances are incurred. Retained collections
16 in excess of such costs shall be applied against the federal funds
17 deducted in the executive operations appropriation unit.

18 (2) The department shall report to the legislature during the
19 senate and house budget hearings on the status of the food stamp
20 error rate. The report shall include at least all of the following:

21 (a) An update on federal sanctions and federal requirements
22 for reinvestment due to the food stamp error rate.

23 (b) Review of the status of training for employees who
24 administer the food assistance program.

25 (c) An outline of the past year's monthly status of worker to
26 food stamp cases and monthly status of worker to food stamp
27 applications.

1 (d) Information detailing the effect and change in staffing
2 due to the early retirement option.

3 (e) Corrective action through policy, rules, and programming
4 being taken to reduce the food stamp error rate.

5 (f) Any other information regarding the food stamp error rate,
6 including information pertaining to technology and computer
7 applications used for the food assistance program.

8 Sec. 214. (1) The department shall submit a report to the
9 chairpersons of the senate and house appropriations subcommittees
10 on the department budget, the senate and house fiscal agencies and
11 policy offices, and the state budget director on the details of
12 allocations within program budgeting line items and within the
13 salaries and wages line items in all appropriation units. The
14 report shall include a listing, by account, dollar amount, and fund
15 source, of salaries and wages; longevity and insurance; retirement;
16 contractual services, supplies, and materials; equipment; travel;
17 and grants within each program line item appropriated for the
18 fiscal year ending September 30, 2007.

19 (2) On a bimonthly basis, the department shall report on the
20 number of FTEs in pay status by type of staff.

21 Sec. 215. (1) If a legislative objective of this article or
22 the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot
23 be implemented without loss of federal financial participation
24 because implementation would conflict with or violate federal
25 regulations, the department shall notify the state budget director,
26 the house and senate appropriations committees, and the house and
27 senate fiscal agencies and policy offices of that fact.

1 (2) The department shall provide the senate and house
2 appropriation subcommittees on the department budget, the senate
3 and house fiscal agencies and policy offices, and the state budget
4 director with the citation and a copy of any federal statute,
5 regulation, policy, or directive that the department determines
6 presents a conflict as described in subsection (1). The department
7 shall apply for any available waiver or relief from federal
8 requirements or sanctions that would allow it to comply with state
9 law without federal penalty.

10 Sec. 217. (1) Due to the current budgetary problems in this
11 state, out-of-state travel for the fiscal year ending September 30,
12 2007 shall be limited to situations in which 1 or more of the
13 following conditions apply:

14 (a) The travel is required by legal mandate or court order or
15 for law enforcement purposes.

16 (b) The travel is necessary to protect the health or safety of
17 Michigan citizens or visitors or to assist other states in similar
18 circumstances.

19 (c) The travel is necessary to produce budgetary savings or to
20 increase state revenues, including protecting existing federal
21 funds or securing additional federal funds.

22 (d) The travel is necessary to comply with federal
23 requirements.

24 (e) The travel is necessary to secure specialized training for
25 staff that is not available within this state.

26 (f) The travel is financed entirely by federal or nonstate
27 funds.

1 (2) If out-of-state travel is necessary but does not meet 1 or
2 more of the conditions in subsection (1), the state budget director
3 may grant an exception to allow the travel. Any exceptions granted
4 by the state budget director shall be reported on a monthly basis
5 to the senate and house standing committees on appropriations.

6 (3) Not later than January 1 of each year, each department
7 shall prepare a travel report listing all travel by classified and
8 unclassified employees outside this state in the immediately
9 preceding fiscal year that was funded in whole or in part with
10 funds appropriated in the department's budget. The report shall be
11 submitted to the chairs and members of the house and senate
12 appropriations committees, the fiscal agencies, and the state
13 budget director. The report shall include the following
14 information:

15 (a) The name of each person receiving reimbursement for travel
16 outside this state or whose travel costs were paid by this state.

17 (b) The destination of each travel occurrence.

18 (c) The dates of each travel occurrence.

19 (d) A brief statement of the reason for each travel
20 occurrence.

21 (e) The transportation and related costs of each travel
22 occurrence, including the proportion funded with state general
23 fund/general purpose revenues, the proportion funded with state
24 restricted revenues, the proportion funded with federal revenues,
25 and the proportion funded with other revenues.

26 (f) A total of all out-of-state travel funded for the
27 immediately preceding fiscal year.

1 Sec. 218. (1) The department shall prepare an annual report on
2 the TANF federal block grant. The report shall include projected
3 expenditures for the current fiscal year, an accounting of any
4 previous year funds carried forward, and a summary of all
5 interdepartmental or interagency agreements relating to the use of
6 TANF funds. The report shall be forwarded to the state budget
7 director and the house and senate appropriations subcommittees on
8 the department budget and the house and senate fiscal agencies and
9 policy offices within 10 days after presentation of the executive
10 budget.

11 (2) The state budget director shall give prior written notice
12 to the members of the house and senate appropriations subcommittees
13 for the department and to the house and senate fiscal agencies and
14 policy offices of any proposed changes in utilization or
15 distribution of TANF funding or the distribution of TANF
16 maintenance of effort spending relative to the amounts reflected in
17 the annual appropriations acts of all state agencies where TANF
18 funding is appropriated. The written notice shall be given not less
19 than 30 days before any changes being made in the funding
20 allocations. This prior notice requirement also applies to new
21 plans submitted in response to federal TANF reauthorization or
22 replacement by an equivalent federal law.

23 Sec. 220. (1) In contracting with faith-based organizations
24 for mentoring or supportive services, and in all contracts for
25 services, the department shall ensure that no funds provided
26 directly to institutions or organizations to provide services and
27 administer programs shall be used or expended for any sectarian

1 activity, including sectarian worship, instruction, or
2 proselytization.

3 (2) If an individual requests the service and has an objection
4 to the religious character of the institution or organization from
5 which the individual receives or would receive services or
6 assistance, the department shall provide the individual within a
7 reasonable time after the date of the objection with assistance or
8 services and which are substantially the same as the service the
9 individual would have received from the organization.

10 (3) The department shall ensure that faith-based organizations
11 are able to apply and compete for services, programs, or contracts
12 that they are qualified and suitable to fulfill. The department
13 shall not disqualify faith-based organizations solely on the basis
14 of the religious nature of their organization or their guiding
15 principles or statements of faith.

16 (4) The department shall follow guidelines related to faith-
17 based involvement established in 42 USC 604a.

18 Sec. 221. If the revenue collected by the department from
19 private and local sources exceeds the amount spent from amounts
20 appropriated in part 1, the revenue may be carried forward, with
21 approval from the state budget director, into the subsequent fiscal
22 year.

23 Sec. 223. The department shall make a determination of
24 Medicaid eligibility not later than 60 days after all information
25 to make the determination is received from the applicant when
26 disability is an eligibility factor. For all other Medicaid
27 applicants, the department shall make a determination of Medicaid

1 eligibility not later than 45 days after all information to make
2 the determination is received from the applicant.

3 Sec. 224. The department shall approve or deny a Medicaid
4 application for a patient of a nursing home within 45 days after
5 the receipt of the necessary information.

6 Sec. 225. The department shall develop a rapid redetermination
7 process for nursing home residents whose Medicaid stay is greater
8 than 90 days. This process shall be implemented not later than
9 January 1, 2007.

10 Sec. 227. The department, with the approval of the state
11 budget director, is authorized to realign sources of financing
12 authorizations in order to maximize temporary assistance for needy
13 families' maintenance of effort countable expenditures. This
14 realignment of financing shall not be made until 15 days after
15 notifying the chairs of the house and senate appropriations
16 subcommittees on the department budget and house and senate fiscal
17 agencies, and shall not produce an increase or decrease in any
18 line-item expenditure authorization.

19 Sec. 259. (1) From the funds appropriated in part 1 for
20 information technology, the department shall pay user fees to the
21 department of information technology for technology-related
22 services and projects. The user fees shall be subject to provisions
23 of an interagency agreement between the department and the
24 department of information technology.

25 (2) During the annual budget presentation, the department
26 shall report on the interagency agreement with the department of
27 information technology to the senate and house appropriations

1 subcommittees for the department budget, house and senate fiscal
2 agencies, and policy offices. The report shall include the base
3 service priorities in the agreement including, but not limited to,
4 the following:

5 (a) Name and description of base service.

6 (b) Detail goals and objectives related to each base service.

7 (c) Cost of each base service.

8 (d) Time frame for implementation or completion of base
9 service.

10 (e) Impact, if any, on caseload management by local office
11 staff, and on service to individual or family clients in local
12 offices.

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

20 Sec. 261. The department, in conjunction with the county
21 department of human services boards of directors and the department
22 of management and budget, shall continue to develop and implement a
23 plan to restructure local offices. This plan shall include an
24 emphasis on maximization of service while maintaining a reduction
25 in administrative cost. Duplication of services shall be identified
26 and solutions to remove the duplication shall be detailed in the
27 plan. Any plan presented shall ensure that the department provides

1 a presence and services in every county. The current plan shall be
2 submitted to the senate and house appropriations subcommittees for
3 the department budget by January 15, 2007. The savings resulting
4 from this plan may be allocated to the counties generating the
5 savings to fund additional frontline workers at the county office
6 level and additional staff to reduce wait time for Medicaid
7 eligibility determinations.

8 Sec. 262. The department, in conjunction with county
9 department of human services boards of directors and the department
10 of management and budget, shall continue to develop and implement a
11 plan to assist local services delivery effectiveness and efficiency
12 by maximizing use of state resources while responding to unique
13 needs in geographic regions of the state. Savings resulting from
14 the plan shall be allocated to county offices to fund additional
15 frontline workers. The department shall submit the current
16 consolidation plan to the house and senate appropriations
17 subcommittees for the department budget by January 1, 2007.

18 Sec. 264. The department shall not take disciplinary action
19 against an employee for communicating with a member of the
20 legislature or his or her staff.

21 Sec. 269. If title IV-D-related child support collections are
22 escheated, the state budget director is authorized to adjust the
23 sources of financing for the funds appropriated in part 1 for legal
24 support contracts to reduce federal authorization by 66% of the
25 escheated amount and increase general fund/general purpose
26 authorization by the same amount. This budget adjustment is
27 required to offset the loss of federal revenue due to the escheated

1 amount being counted as title IV-D program income in accordance
2 with federal regulations at 45 CFR 304.50.

3 Sec. 270. (1) The department shall continue to implement a
4 plan to provide client-centered results-oriented programs and
5 services for each of the following programs:

6 (a) Day care assistance.

7 (b) Family independence program.

8 (c) Adoption subsidy.

9 (d) Foster care.

10 (e) Juvenile justice services.

11 (2) The plan shall include detailed information to be compiled
12 on an annual basis by the department on the following for each
13 program listed in subsection (1):

14 (a) The average cost per recipient served by the program.

15 (b) Measurable performance indicators for each program.

16 (c) Desired outcomes or results and goals for each program
17 that can be measured on an annual basis, or desired results for a
18 defined number of years.

19 (d) Monitored results for each program.

20 (e) Innovations for each program that may include savings or
21 reductions in administrative costs.

22 (3) During the annual budget presentation, the department
23 shall provide the senate and house appropriations subcommittees on
24 the department budget the information listed in subsection (2).

25 Sec. 271. (1) The department shall report to the senate and
26 house appropriations subcommittees on the department budget, the
27 senate and house standing committees on human services, the senate

1 and house fiscal agencies, the senate and house policy offices, and
2 the state budget director on the progress of child and family
3 services reviews (CFSR). The reviews, conducted in the state by the
4 children's bureau of the United States department of health and
5 human services, are intended to assess the department's compliance
6 with the adoption and safe families act of 1997, Public Law 105-89,
7 111 Stat. 2115, with the ultimate goal of improving the state child
8 welfare system and the safety, permanency, and child and family
9 service outcomes to children and families. The report shall be
10 submitted January 1 and July 1.

11 (2) The report required under subsection (1) shall include the
12 findings and progress of all of the following:

13 (a) Changes made by the courts with respect to court forms and
14 court rules to meet the statutory requirement.

15 (b) Department policy changes within the areas of foster care,
16 juvenile justice, and adoption to meet the statutory requirements.

17 (c) Recommendations made by a workgroup composed of department
18 and other agency stakeholders.

19 (d) A summary of the 7 systemic factors that determine the
20 state's compliance with the adoption and safe families act of 1997,
21 Public Law 105-89, 111 Stat. 2115.

22 (e) A summary of the 7 data outcome indicators used to
23 determine the state's compliance with the adoption and safe
24 families act of 1997, Public Law 105-89, 111 Stat. 2115, including
25 the length of time required to achieve family reunification for
26 foster care cases.

27 (f) Federal recommendations made to the state, including

1 recommendations to the courts.

2 (g) Federal penalties assessed against the state for
3 noncompliance.

4 (h) Status of the performance improvement plan submitted to
5 the federal government.

6 Sec. 272. (1) The department shall report to the senate and
7 house appropriations subcommittees on the department budget, the
8 senate and house standing committees on human services, the senate
9 and house fiscal agencies, the senate and house policy offices, and
10 the state budget director on the result of the title IV-E foster
11 care eligibility reviews. The reviews, conducted in the state by
12 the United States department of health and human services, are
13 intended to assess the department's compliance with the adoption
14 and safe families act of 1997, Public Law 105-89, 111 Stat. 2115,
15 ensuring the department's case files and payments records meet
16 federal regulations, including standards on eligibility for
17 placement reimbursement and the allowable payment rate. The report
18 shall be submitted January 1 and July 1.

19 (2) The report required under subsection (1) shall include the
20 findings and progress of all of the following:

21 (a) Training programs conducted by the department, the child
22 welfare institute, the Michigan judicial institute, and any private
23 agencies that have been authorized to provide training.

24 (b) Changes made by the courts on court forms and rules used
25 in meeting the statutory requirements.

26 (c) Department policy changes that impact meeting the
27 statutory requirements for foster care and adoption, including

1 juvenile justice programs.

2 (d) Recommendations made by a department workgroup composed of
3 representatives from the department and other departments and
4 agencies.

5 (e) Federal recommendations submitted to the state, including
6 recommendations to the courts.

7 (f) Federal penalties assessed against the state.

8 Sec. 273. (1) The department shall report no later than
9 October 1, 2006 on each specific policy change made to implement
10 enacted legislation to the senate and house appropriations
11 subcommittees on the department budget, the senate and house
12 standing committees on human services, and the senate and house
13 fiscal agencies and policy offices.

14 (2) On an annual basis, the department shall provide a
15 cumulative list of all policy changes in the following areas: child
16 welfare services, child support, work first, work requirements,
17 adult and child safety, local staff program responsibilities, and
18 day care. The list shall be distributed to the senate and house
19 appropriations subcommittees on the department budget, the senate
20 and house standing committees dealing with human services, and the
21 senate and house fiscal agencies and policy offices.

22 (3) Not later than July 1, 2007, the department shall report
23 to the senate and house appropriations subcommittees on the
24 department budget, the senate and house fiscal agencies and policy
25 offices, and the state budget director the annual regulatory plan
26 submitted to the state office of administrative hearings and rules
27 pursuant to section 53 of the administrative procedures act of

1 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan
2 shall not include proposals for rule promulgation that exceed the
3 statutory authority granted to the department.

4 (4) Funds for the preparation of the regulatory reform plan
5 shall be provided solely in section 102 of the funds appropriated
6 in part 1. Funds appropriated in part 1 shall not be used to
7 prepare regulatory plans or promulgate rules that would exceed
8 statutory authority granted to the department. If the department
9 fails to provide statutory authority and additional information for
10 its regulatory reform plan pursuant to section 39(1) of the
11 administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no
12 funds shall be expended for the further preparation of that plan or
13 the promulgation of rules in that plan.

14 (5) Funds appropriated in part 1 shall not be used to prepare
15 regulatory plans or promulgate rules that fail to reduce the
16 disproportionate economic impact on small businesses pursuant to
17 section 40 of the administrative procedures act of 1969, 1969 PA
18 306, MCL 24.240.

19 (6) Funds appropriated in part 1 shall not be used to prepare
20 regulatory plans or promulgate rules that would grant preferences
21 to private providers of services based on whether they had
22 collective bargaining agreements with workers.

23 Sec. 274. The department shall report to the house and senate
24 appropriations subcommittees on the department budget, the senate
25 and house fiscal agencies, the senate and house policy offices, and
26 the state budget director as part of the annual budget presentation
27 on each federal grant this state was eligible to apply for, listing

1 both grants applied for and not applied for. This report will cover
2 grants exceeding \$100,000.00, related to fatherhood and marriage
3 initiatives, teen pregnancy prevention, kinship care, before- and
4 after-school programs, family preservation and prevention, homeless
5 prevention, and youth in transition.

6 Sec. 278. (1) The department shall contract with 1 or more
7 private consulting firms for revenue maximization services for all
8 caseload services currently provided by the department. A contract
9 under this section shall specify that the contractor locate waste,
10 fraud, error, and abuse within the department's services and
11 programs.

12 (2) A contractor shall not charge the department a fee for
13 services provided under subsection (1). However, a contractor shall
14 receive a negotiated percentage of the savings not to exceed 25% of
15 the gross savings achieved from implementation of a recommendation
16 made by the contractor under this section.

17 (3) The department shall retain up to \$5,000,000.00 of savings
18 achieved through the revenue maximization services contract as an
19 offset to general fund/general purpose costs. Additional savings
20 shall be allocated within the department for the following
21 purposes:

22 (a) Technology programs that help maintain an effective and
23 efficient computer system for caseworkers.

24 (b) Additional staff in order to reduce worker-to-case ratios.

25 (4) The department shall provide a report to the senate and
26 house appropriations subcommittees on the department budget, senate
27 and house standing committees on human services matters, senate and

1 house fiscal agencies and policy offices, and state budget director
2 by December 31, 2006 on the waste, fraud, error, and abuse located
3 under subsection (1). By April 1, 2007, the department shall
4 provide a progress report including the specific changes
5 implemented to achieve savings under this section and the timetable
6 for implementation of the remaining changes.

7 Sec. 279. All contracts relating to human services entered
8 into or renewed by the department on or after October 1, 2006 shall
9 be performance-based contracts that employ a client-centered
10 results-oriented process that is based on measurable performance
11 indicators and desired outcomes and includes the annual assessment
12 of the quality of services provided.

13 Sec. 280. The department shall submit a report to the house
14 and senate appropriations subcommittees for the department budget,
15 the house and senate fiscal agencies, the house and senate policy
16 offices, and the state budget director by February 1, 2007 on the
17 status of the department's information technology improvement
18 initiatives, including the "Bridges" integration project. The
19 report shall include details on the following:

20 (a) The amounts expended during the previous fiscal year and
21 the first quarter of the current fiscal year by project.

22 (b) The amounts of appropriations carried forward from
23 previous fiscal years for information technology improvement
24 projects.

25 (c) A narrative describing the projects and activities
26 undertaken during the previous fiscal year and during the first
27 quarter of the current fiscal year.

1 **EXECUTIVE OPERATIONS**

2 Sec. 301. Not later than September 30 of each year, the
3 department shall submit for public hearing to the chairpersons of
4 the house and senate appropriations subcommittees dealing with
5 appropriations for the department budget the proposed use and
6 distribution plan for community services block grant funds
7 appropriated in part 1 for the succeeding fiscal year.

8 Sec. 302. The department shall develop a plan based on
9 recommendations from the department of civil rights and from Native
10 American organizations to assure that the community services block
11 grant funds are equitably distributed. The plan must be developed
12 by October 31, 2006, and the plan shall be delivered to the
13 appropriations subcommittees on the department budget in the senate
14 and house, the senate and house fiscal agencies, and the state
15 budget director.

16 Sec. 303. (1) Of the funds appropriated in part 1 for
17 community services block grants, \$2,350,000.00 represents TANF
18 funding earmarked for community action agencies.

19 (2) In addition to the money referred to in subsection (1),
20 the department shall award up to \$500,000.00 to community action
21 agencies for earned income tax credit (EITC) education and
22 outreach. Emphasis shall be on clients who have never filed for the
23 EITC, clients with children, and clients for whom receipt of the
24 EITC will make it easier for them to move off public assistance.

25 Sec. 304. From funds appropriated in part 1 for demonstration
26 projects, the department shall expend up to \$78,500.00 in TANF to

House Bill No. 5796 (H-2) as amended May 24, 2006

1 fund a school-based crisis intervention demonstration project in
2 Pontiac.

3 Sec. 305. The appropriation in part 1 for the weatherization
4 program shall be expended so that at least 25% of the households
5 weatherized under the program shall be households of families
6 receiving 1 or more of the following:

7 (a) Family independence program assistance.

8 (b) State disability assistance.

9 (c) Food assistance.

10 (d) Supplemental security income.

11 Sec. 306. Of the funds appropriated in part 1 for
12 demonstration projects, the department shall allocate \$250,000.00
13 to support the kinship care resource center administered by the
14 Michigan state university school of social work. Funding is
15 contingent upon the center's reporting of necessary data to the
16 department to demonstrate TANF or maintenance of effort
17 eligibility. The center shall submit quarterly reports to the
18 department detailing expenditures from this appropriation and
19 reviewing program outcomes including the number of families served
20 through counseling, respite care, and other services as well as the
21 number provided with information on kinship care. The department
22 shall submit each quarterly report to the house and senate
23 appropriations subcommittees on the department budget by January
24 15, April 15, July 15, and October 15 of each year.

25 **ADULT AND FAMILY SERVICES**

[Sec. 401. From the funds appropriated in part 1 for domestic
violence prevention and treatment, the department shall allocate
\$75,000.00 in TANF funds to Barry County for services that comply with
all domestic violence board standards and reporting requirements.]

26 Sec. 414. Funds appropriated in part 1 for marriage and

1 fatherhood initiatives are contingent upon receipt of new federal
2 funding available for marriage and family formation grants. The
3 department, with the approval of the state budget director, is
4 authorized to increase federal spending authority for marriage and
5 fatherhood initiatives if marriage and family formation grants exceed
6 the spending authority in part 1. This authorization adjustment shall
7 be made 15 days after notifying the chairs of the senate and house
8 appropriations subcommittees on the department budget and senate and
9 house fiscal agencies.

10 Sec. 415. (1) In expending money appropriated in part 1 for
11 marriage and fatherhood initiatives, the department may contract
12 with independent contractors from various counties, including, but
13 not limited to, faith-based and nonprofit organizations. The
14 independent contractors shall provide at least 10% in matching
15 funds, through any combination of local, state, or federal funds or
16 in-kind or other donations. An independent contractor that cannot
17 secure matching funds shall not be excluded from consideration for
18 the fatherhood program.

19 (2) The department may choose providers that will work with
20 counties to do 1 or both of the following:

21 (a) Help eligible fathers to acquire skills that will enable
22 them to increase their responsible behavior toward their children
23 and the mothers of their children. An increase of financial support
24 for their children should be a very high priority as well as
25 emotional support.

26 (b) Support and strengthen marriages. The areas of work may
27 include, but are not limited to, marital counseling, domestic

1 violence counseling, family counseling, effective communication,
2 and anger management as well as parenting skills to improve the
3 family structure.

4 (3) A fatherhood initiative program established under this
5 section shall minimally include at least 3 of the following
6 components: promoting responsible, caring, and effective parenting
7 through counseling; mentoring and parental education; enhancing the
8 abilities and commitment of unemployed or low-income fathers to
9 provide material support for their families and to avoid or leave
10 welfare programs by assisting them to take advantage of job search
11 programs, job training, and education to improve their work habits
12 and work skills; improving fathers' ability to effectively manage
13 family business affairs by means such as education, counseling, and
14 mentoring in household matters; infant care; effective
15 communication and respect; anger management; children's financial
16 support; and drug-free lifestyle.

17 (4) A marriage initiative program established under this
18 section may include, but is not limited to, 1 or more of the
19 following: public advertising campaigns on the value of marriage
20 and the skills needed to increase marital stability and health;
21 education in high schools on the value of marriage, relationship
22 skills, and budgeting; premarital, marital, family, and domestic
23 violence counseling; effective communication; marriage mentoring
24 programs which use married couples as role models and mentors in
25 at-risk communities; anger management; and parenting skills to
26 improve the family structure.

27 (5) The department is authorized to make allocations of not

1 more than 20% per county, under this section.

2 Sec. 418. From the funds appropriated in part 1 for employment
3 and training support services, the department may expand the
4 availability of individual development accounts (IDAs) with
5 \$200,000.00 for allocation to qualified IDA programs established
6 through the Michigan IDA partnership to serve TANF eligible
7 households in Michigan. The Michigan IDA partnership shall
8 encourage each TANF eligible household served to claim the federal
9 earned income tax credit (EITC) and to incorporate all or part of
10 any tax credit received in the household's IDA savings plan, and
11 shall provide the household with information concerning available
12 free tax assistance resources. In addition, the Michigan IDA
13 partnership and its program sites shall participate in community
14 EITC coalitions established under the plan to increase the EITC
15 participation of TANF families referenced in section 666.

16 Sec. 419. The department in collaboration with the Michigan
17 state university center for urban affairs and its partner
18 organizations, the Michigan credit union league and the national
19 federation of community development credit unions, shall further
20 the work begun in fiscal year 1999-2000 that implemented the
21 individual development accounts programs in the growing number of
22 low-income designated credit unions, i.e., community development
23 credit unions (CDCUs) located in this state's poorest communities.
24 This further work will extend capacity-building and technical
25 assistance services to existing and emerging CDCUs serving low-
26 income populations and will include:

27 (a) Creation of a Michigan-based support system for the

1 capacity-building of existing and emerging CDCUs serving low-income
2 individuals and families, including development and testing of
3 training, technical assistance, and professional development
4 initiatives and related materials, and other capacity-building
5 services to Michigan CDCUs.

6 (b) Other related support to assist existing and emerging
7 CDCUs in becoming self-supporting institutions to assist
8 impoverished Michigan residents in becoming economically
9 independent.

10 (c) Training and technical assistance to CDCUs in the
11 development of support services, such as economic literacy, credit
12 counseling, budget counseling, and asset management programs for
13 low-income individuals and families.

14 Sec. 420. From the funds appropriated in part 1 for employment
15 and training support services, the department shall allocate
16 \$40,000.00 in TANF for welfare to career innovation grants to
17 replicate the Kent County model with Cascade engineering.

18 Sec. 421. The department shall allow private nationally
19 accredited foster care and adoption agencies to conduct their own
20 staff training, based on current department policies and procedures
21 provided that the agency trainer and training materials are
22 accredited by the department, and that the agency documents to the
23 department that the training was provided. The department shall
24 provide access to any training materials requested by the private
25 agencies to facilitate this training. The intent of the legislature
26 is to reduce training and travel costs for both the department and
27 the private agencies.

1 Sec. 423. (1) From the money appropriated in part 1 for food
2 for the elderly, the department shall allocate money to assist the
3 state's elderly population to participate in the food assistance
4 program. The money may be used as state matching funds to acquire
5 available United States department of agriculture funding to
6 provide outreach program activities, such as eligibility screening
7 and information services, as part of a statewide food stamp
8 helpline.

9 (2) The department may accept any private money that may be
10 donated to the department to support food stamp outreach efforts in
11 this state. The department shall request a waiver from the United
12 States department of agriculture to permit the donated private
13 money to be used as a match to obtain additional federal food stamp
14 outreach funds from the United States department of agriculture.
15 The department shall use both the private donated money and any
16 federal match funds that may be available as a result of the
17 donated money to contract for additional outreach services as
18 authorized by the department's United States department of
19 agriculture-approved food stamp outreach plan.

20 Sec. 424. Of the funds appropriated in part 1 for employment
21 and training, \$200,000.00 in TANF funds shall be used for the
22 effective family formation program by the child and family resource
23 council in Kent County for the purpose of instructing unwed parents
24 in developing family formation and sustaining behaviors.

25 **CHILD AND FAMILY SERVICES**

26 Sec. 501. The following goal is established by state law.

1 During fiscal year 2006-2007, not more than 3,000 children
2 supervised by the department shall remain in foster care longer
3 than 24 months. The department shall give priority to reducing the
4 number of children under 1 year of age in foster care. During the
5 annual budget presentation, the department shall report on the
6 number of children supervised by the department and by private
7 agencies who remain in foster care between 12 and 24 months, and
8 those who remain in foster care longer than 24 months.

9 Sec. 502. From the funds appropriated in part 1 for foster
10 care, the department shall provide 50% reimbursement to Indian
11 tribal governments for foster care expenditures for children who
12 are under the jurisdiction of Indian tribal courts and who are not
13 otherwise eligible for federal foster care cost sharing.

14 Sec. 503. The department shall continue adoption subsidy
15 payments to families after the eighteenth birthday of an adoptee
16 who meets the following criteria:

17 (a) Has not yet graduated from high school or passed a high
18 school equivalency examination.

19 (b) Is making progress toward completing high school.

20 (c) Has not yet reached his or her nineteenth birthday.

21 (d) Is not eligible for federal supplemental security income
22 (SSI) payments.

23 Sec. 504. The department's ability to satisfy appropriation
24 deducts in part 1 for foster care private collections shall not be
25 limited to collections and accruals pertaining to services provided
26 only in the current fiscal year but shall include revenues
27 collected during the fiscal year in excess of the amount specified

1 in part 1.

2 Sec. 508. (1) In addition to the amount appropriated in part 1
3 for children's trust fund grants, money granted or money received
4 as gifts or donations to the children's trust fund created by 1982
5 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

6 (2) The state child abuse and neglect prevention board may
7 initiate a joint project with another state agency to the extent
8 that the project supports the programmatic goals of both the state
9 child abuse and neglect prevention board and the state agency. The
10 department may invoice the state agency for shared costs of a joint
11 project in an amount authorized by the state agency, and the state
12 child abuse and neglect prevention board may receive and expend
13 funds for shared costs of a joint project in addition to those
14 authorized by part 1.

15 (3) From the funds appropriated in part 1 for the children's
16 trust fund, the department may utilize interest and investment
17 revenue from the current fiscal year only for programs,
18 administration, services, or all sanctioned by the child abuse and
19 neglect prevention board.

20 Sec. 509. (1) From the funds appropriated in part 1, the
21 department shall not expend funds to preserve or reunite a family,
22 unless there is a court order requiring the preservation or
23 reuniting of the family or the court denies the petition, if either
24 of the following would result:

25 (a) A child would be living in the same household with a
26 parent or other adult who has been convicted of criminal sexual
27 conduct against a child.

1 (b) A child would be living in the same household with a
2 parent or other adult against whom there is a substantiated charge
3 of sexual abuse against a child.

4 (2) Notwithstanding subsection (1), this section shall not
5 prohibit counseling or other services provided by the department,
6 if the service is not directed toward influencing the child to
7 remain in an abusive environment, justifying the actions of the
8 abuser, or reuniting the family.

9 Sec. 510. The department shall not be required to put up for
10 bids contracts with service providers if currently only 1 provider
11 in the service area exists.

12 Sec. 513. (1) The department shall not expend funds
13 appropriated in part 1 to pay for the placement of a child in an
14 out-of-state facility unless all of the following conditions are
15 met:

16 (a) There is no appropriate placement available in this state,
17 while an out-of-state placement does exist within 100 miles of the
18 child's home.

19 (b) The out-of-state facility meets all of the licensing
20 standards of this state for a comparable facility.

21 (c) The out-of-state facility meets all of the applicable
22 licensing standards of the state in which it is located.

23 (d) The department has done an on-site visit to the out-of-
24 state facility, reviewed the facility records, and reviewed
25 licensing records and reports on the facility and believes that the
26 facility is an appropriate placement for the child.

27 (2) The department shall submit a report by February 1 of each

1 year on the number of children who were newly placed in out-of-
2 state facilities during the previous fiscal year, the number of
3 Michigan children residing in such facilities at the time of the
4 report, and the total cost and average per diem cost of these out-
5 of-state placements to the state.

6 Sec. 514. The department shall make a comprehensive report
7 concerning children's protective services (CPS) to the legislature,
8 including the senate and house policy offices and the state budget
9 director, by January 1, 2007, that shall include all of the
10 following:

11 (a) Statistical information including, at a minimum, all of
12 the following:

13 (i) The total number of reports of abuse or neglect
14 investigated under the child protection law, 1975 PA 238, MCL
15 722.621 to 722.638, and the number of cases classified under
16 category I or category II and the number of cases classified under
17 category III, category IV, or category V.

18 (ii) Characteristics of perpetrators of abuse or neglect and
19 the child victims, such as age, relationship, socioeconomic status,
20 race, and ethnicity and whether the perpetrator exposed the child
21 victim to criminal drug activity, including the manufacture of
22 illicit drugs, that exposed the child victim to significant health
23 and environmental hazards.

24 (iii) The mandatory reporter category in which the individual
25 who made the report fits, or other categorization if the individual
26 is not within a group required to report under the child protection
27 law, 1975 PA 238, MCL 722.621 to 722.638.

1 (b) New policies related to children's protective services
2 including, but not limited to, major policy changes and court
3 decisions affecting the children's protective services system
4 during the immediately preceding 12-month period.

5 (c) The number of cases in category III closed during the time
6 period covered by the report categorized as follows:

7 (i) Transfer to foster care.

8 (ii) Risk of further child abuse or neglect has been reduced to
9 an acceptable level.

10 (d) The department policy, or changes to the department
11 policy, regarding termination of parental rights or foster
12 placement for children who have been exposed to the production of
13 illicit drugs in their dwelling place or a place frequented by the
14 children.

15 Sec. 517. (1) From the funds appropriated in part 1, the
16 department is authorized to allocate funds to multipurpose
17 collaborative bodies. Priority for activities and services will be
18 given to at-risk children and families and cases classified by the
19 department as category III or category IV under sections 8 and 8d
20 of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

21 (2) Funds appropriated in part 1 for zero to three may be used
22 to fund community-based collaborative prevention services designed
23 to do any of the following:

24 (a) Foster positive parenting skills especially for parents of
25 children under 3 years of age.

26 (b) Improve parent/child interaction.

27 (c) Promote access to needed community services.

1 (d) Increase local capacity to serve families at risk.

2 (e) Improve school readiness.

3 (f) Support healthy family environments that discourage
4 alcohol, tobacco, and other drug use.

5 (3) The appropriation provided for in subsection (2) is to
6 fund secondary prevention programs as defined in the children's
7 trust fund's preapplication materials for fiscal year 2006-2007
8 direct services grants.

9 (4) Projects funded through the appropriation provided for in
10 subsection (2) shall meet all of the following criteria:

11 (a) Be awarded through a joint request for proposal process
12 established by the department in conjunction with the children's
13 trust fund and the state human services directors.

14 (b) Be secondary prevention initiatives. Funds are not
15 intended to be expended in cases in which neglect or abuse has been
16 substantiated.

17 (c) Demonstrate that the planned services are part of a
18 community's integrated comprehensive family support strategy
19 endorsed by the local multipurpose collaborative body.

20 (d) Provide a 25% local match of which not more than 10% is
21 in-kind goods or services unless the maximum percentage is waived
22 by the state human services directors.

23 (5) As used in this section, "state human services directors"
24 means the director of the department of community health, the
25 director of the department of education, and the director of the
26 department.

27 Sec. 523. (1) From the funds appropriated in part 1 for youth

1 in transition, domestic violence prevention and treatment, and
2 teenage parent counseling, the department is authorized to make
3 allocations of TANF funds only to the agencies that report
4 necessary data to the department for the purpose of meeting TANF
5 eligibility reporting requirements.

6 (2) The agencies receiving teenage parent counseling TANF
7 funds shall report to the department on both of the following:

8 (a) Whether program services have impacted the following issue
9 areas:

10 (i) The number of teen participants having fewer repeat
11 pregnancies.

12 (ii) The completion rate for high school diplomas or GEDs.

13 (iii) The teen participants' rate of self-sufficiency.

14 (iv) The number of father participants.

15 (b) How many teens participate in the programs and have access
16 to any or all of the following services:

17 (i) Adult supervised, supportive living arrangements.

18 (ii) Pregnancy prevention services or referrals.

19 (iii) Required completion of high school or receipt of GED,
20 including child care to assist young mothers to focus on
21 achievement.

22 (iv) Support services, including, but not limited to, health
23 care, transportation, and counseling.

24 (v) Parenting and life-skills training.

25 (vi) Education, job training, and employment services.

26 (vii) Transition services in order to achieve self-sufficiency.

27 (viii) Instruction on self-protection.

1 (3) Agencies receiving teenage parent counseling funds shall
2 provide at least 10% in matching funds, through any combination of
3 local, state, or federal funds or in-kind or other donations.

4 Sec. 524. The department shall report on prevention programs
5 for which funds are appropriated in part 1 to the senate and house
6 appropriations subcommittees on the department budget during the
7 annual budget presentation. The report shall contain all of the
8 following for each program:

9 (a) The average cost per recipient served.

10 (b) Measurable performance indicators.

11 (c) Desired outcomes or results and goals that can be measured
12 on an annual basis, or desired results for a defined number of
13 years.

14 (d) Monitored results.

15 (e) Innovations that may include savings or reductions in
16 administrative costs.

17 Sec. 531. (1) From the funds appropriated in part 1, the
18 department shall make claims for and pay to local units of
19 government a portion of federal title IV-E revenues earned as a
20 result of eligible costs incurred by local units of government.

21 (2) The department shall make payments under subsection (1)
22 only to local units of government that have entered into formal
23 agreements with the department. The agreement must include all of
24 the following:

25 (a) Provide for the department to retain 50% of the federal
26 revenues earned.

27 (b) Provide for department review and approval of the local

1 unit's plan for allocating costs to title IV-E.

2 (c) Provide for the local unit of government to submit bills
3 at times, and in the format, specified by the department.

4 (d) Specify that the local unit of government is responsible
5 for meeting all federal title IV-E regulation requirements,
6 including reporting requirements, with regard to the activities and
7 costs being billed to title IV-E.

8 (e) Provide for the local unit of government to pay the state
9 for the amount of any federal revenues paid to the local unit that
10 may subsequently be disallowed by the federal government.

11 (f) Be signed by the director of the department, the chief
12 executive officer of the local government agency providing the
13 title IV-E services, the chair of the county board of
14 commissioners, and the chief executive officer of the county.

15 Sec. 532. (1) The department, in collaboration with
16 representatives of private child and family agencies, shall
17 continue to review policies, practices, and procedures involving
18 the annual licensing review and the annual contract compliance
19 review conducted by the department regarding child placing agencies
20 and child caring institutions. The review shall include efforts to
21 identify duplication of staff activities and information sought
22 from child placing agencies and child caring institutions in the
23 annual review process.

24 (2) The department shall develop a streamlined licensing
25 contract compliance review process where possible, including
26 potential for utilizing deeming status for nationally accredited
27 agencies. The department shall report to the senate and house

1 appropriations subcommittees on the department budget, the senate
2 and house fiscal agencies and policy offices, and the state budget
3 director on or before January 15, 2007 on the implementation of the
4 licensing and contract compliance review process.

5 Sec. 533. (1) The department shall make payments to private
6 nonprofit child placing facilities for title IV-E out-of-home care
7 services within 30 days of receiving all necessary documentation
8 from those agencies.

9 (2) The department shall explore various types of automated
10 payments to private nonprofit child placing facilities to improve
11 speed and accuracy of payments.

12 Sec. 536. The department shall not implement a geographically
13 based assignment system for foster care unless determined to be in
14 the best interests of the foster children.

15 Sec. 537. (1) The department shall offer private nonprofit
16 licensed agencies the first opportunity to provide foster care
17 services for new foster children entering the system in a county
18 when the department's direct care caseload for foster care is
19 greater than 20 cases per foster care worker. This section only
20 applies if the private nonprofit licensed agency has an available
21 placement at the time the child needs to be placed, the placement
22 is not contrary to the best interests of the child or the child's
23 siblings, and the private nonprofit licensed agency has a direct
24 care caseload for foster care that is no greater than 20 cases per
25 foster care caseworker.

26 (2) The department, in conjunction with private child placing
27 agencies, shall develop a methodology for measuring goals,

1 objectives, and performance standards for the delivery of foster
2 care and adoption services. These goals, objectives, and
3 performance standards shall apply to both public and private
4 delivery of child welfare services, and data shall be collected
5 from both private and public child welfare programs that can be
6 used to evaluate performance achievements, including, but not
7 limited to, the following:

8 (a) Average caseload per foster care worker.

9 (b) Average cost per case to the department and any other
10 governmental agency.

11 (c) Range of services provided.

12 (d) Program outcomes, including the average length of stay in
13 residential treatment and foster care.

14 (3) The department shall submit a quarterly report to the
15 legislature outlining the progress of the development of the goals,
16 objectives, and performance standards, as well as the information
17 collected through the implementation of the measurement program.

18 (4) The department, in collaboration with child placing
19 agencies, shall develop a strategy for implementing the
20 requirements of MCL 400.115o. As part of the implementation
21 strategy, the department caseworkers responsible for the
22 preparation of recommendations to the court for juvenile placements
23 shall provide, as part of the placement recommendation, information
24 regarding the requirements.

25 Sec. 539. The department shall work in collaboration with
26 representatives from private nonprofit child placing agencies to
27 ensure appropriate placement for children who have been adjudicated

1 abused, neglected, or delinquent and for whom residential treatment
2 is required. The department and the representatives from the
3 private nonprofit child placing agencies shall focus on statewide
4 placement criteria to address the best interest of the child in
5 need of services. The placement criteria shall include a continuum
6 of care settings and options as appropriate for each child and his
7 or her needs at specific times, including home placements, relative
8 placements, shelter placements, and other options.

9 Sec. 544. The department shall consider approval of pilot
10 projects with applications pending for accelerated residential
11 treatment.

12 Sec. 545. (1) The department shall implement a new specialized
13 foster care system based upon the report and recommendations
14 required in section 545(2) of 2004 PA 344.

15 (2) The department shall report to the senate and house
16 appropriations subcommittees for the department budget on the
17 number of new specialized foster care programs required under
18 section 545(3) of 2004 PA 344 not later than January 15, 2007. If
19 no new specialized foster care programs have been authorized, the
20 department shall provide an explanation, a list of all applicants
21 who applied but were denied, and a strategic plan to provide for
22 new specialized foster care programs.

23 (3) The department shall use money appropriated in part 1 for
24 foster care payments and Wayne County foster care payments to
25 reduce rate disparities between providers of similar services in
26 different geographic areas and to serve as demonstration projects
27 for further efforts in reducing these disparities in future years.

1 Sec. 548. During the annual budget presentation to the house
2 and senate appropriations subcommittees on the department budget,
3 the department shall report on progress in implementing the
4 recommendations of the task force that studied the disproportionate
5 representation of African-American and other children of color in
6 the child welfare and juvenile justice systems as required under
7 former section 548 of the fiscal year 2005-2006 budget act for the
8 department.

9 Sec. 549. The department shall meet with personnel employed by
10 the office of the children's ombudsman and the state court
11 administrative office's foster care review board to investigate
12 streamlining the oversight process for child welfare services. The
13 intent of the legislature is to ensure appropriate and adequate
14 oversight while reducing duplication and redundancy between
15 government offices.

16 Sec. 550. (1) The department shall develop, in cooperation
17 with the department of community health or other appropriate
18 medical or health experts, materials for distribution to foster
19 care parents and families on the health risks to children from use
20 of tobacco and secondhand smoke.

21 (2) The department, using public and private resources, shall
22 implement a pilot program to offer foster care parents nicotine
23 patches or other smoking cessation products to reduce the health
24 risk to foster children.

25 (3) The department shall report to the senate and house
26 appropriations subcommittees for the department budget on the
27 results of the pilot program implemented under subsection (2) not

1 later than September 30, 2007.

2 Sec. 551. The department shall submit a report not later than
3 September 30, 2007 to the senate and house appropriations
4 subcommittees on the department budget that includes the number of
5 children in foster homes where parents smoke, the subsequent health
6 costs incurred, and what the impact would be on foster care
7 recruitment if being a nonsmoker was a requirement for foster
8 parenting.

9 Sec. 552. (1) The director of the department shall convene a
10 task force to be known as the interdepartmental task force on
11 services to at-risk youth transitioning to adulthood. The task
12 force shall perform all of the following with respect to services
13 to at-risk youth:

14 (a) Assess currently available services.

15 (b) Determine the extent of coordination and cooperation among
16 currently available programs and services administered by the
17 department and by other departments and agencies of this state.

18 (c) Identify methods to enhance coordination of current
19 services delivery.

20 (d) Identify potential available public and private resources
21 and services.

22 (e) Develop a plan to ensure that all current public and
23 private resources and services are effectively organized and
24 available.

25 (f) Recommend actions to enhance services.

26 (2) The director of the department shall seek participation on
27 the task force created under subsection (1) from all of the

1 following:

2 (a) The director of the department of community health or the
3 director's designee.

4 (b) The director of the department of labor and economic
5 growth or the director's designee.

6 (c) The superintendent of public instruction or the
7 superintendent's designee.

8 (d) The state court administrator or his or her designee.

9 (e) The association for children's mental health.

10 (f) The children's chapter of the courts of Michigan.

11 (g) The Michigan probate judges association.

12 (h) The Michigan community mental health boards.

13 (i) Fight crime: invest in kids - Michigan.

14 (j) The Michigan association of school administrators.

15 (k) The Michigan association of united ways.

16 (l) The Michigan council on crime and delinquency.

17 (m) The Michigan federation for children and families.

18 (n) The Michigan network for youth and families.

19 (o) Michigan's children.

20 (p) The school-community health alliance of Michigan.

21 (q) The student advocacy center of Michigan.

22 (r) The Skillman foundation.

23 (s) The W.K. Kellogg foundation.

24 (t) The C.S. Mott foundation.

25 (u) The Frey foundation.

26 (v) The Annie E. Casey foundation.

27 (w) Youth and adults who are currently or were formerly served

1 by 1 or more services provided by the department to at-risk youth.

2 (x) Representatives of faith-based organizations.

3 (3) By June 30, 2007, the task force created under subsection
4 (1) shall report to the department. The report shall include the
5 task force findings, assessments, plan, and recommendations under
6 subsection (2).

7 (4) By September 30, 2007, the department shall provide to the
8 senate and house of representatives standing committees with
9 primary jurisdiction over human service matters, the senate and
10 house of representatives appropriations subcommittees for the
11 department budget, the senate and house fiscal agencies and policy
12 offices, and the state budget office the task force's report under
13 subsection (3) and identify any actions the department has taken or
14 intends to take as a result of the report.

15 Sec. 555. (1) The appropriation in part 1 for child care fund
16 in-home care incentive program shall be used to encourage counties
17 to increase the number of children in the child welfare and
18 juvenile justice systems receiving in-home care services as opposed
19 to out-of-home placements. Funds shall cover the costs of in-home
20 care services that are eligible for federal temporary assistance
21 for needy families funding. To receive reimbursement under the
22 program, counties shall document that expenditures for in-home care
23 services for the fiscal year ending September 30, 2007 exceeded
24 those of the prior fiscal year. Each county shall receive
25 reimbursement from the department in an amount equal to 65% of the
26 documented increase in in-home care expenditures. However, if the
27 amount of eligible expenditures claimed by all counties exceeds the

1 appropriation in part 1, each county shall receive a prorated share
2 of its documented increase in in-home care expenditures. Each
3 county shall provide for the remaining 35% of costs from its child
4 care fund.

5 (2) In order to participate in the child care fund in-home
6 care incentive program, a county shall submit to the department by
7 December 15 of each year, in a manner determined by the department,
8 a report outlining its proposed budget for the incentive program
9 for the current fiscal year and an overview of measures to be used
10 to monitor outcomes for youth receiving services under the program.
11 The department must approve a final report by the following
12 February 15 in order for the county to be eligible for program
13 reimbursement.

14 Sec. 556. The department shall submit a report to the
15 chairpersons of the senate and house of representatives
16 appropriations committees and the senate and house fiscal agencies
17 and policy offices that describes how the department is complying
18 with federal requirements to notify prospective adoptive parents
19 about adoption subsidies for which those prospective adoptive
20 parents may qualify.

21 Sec. 557. The department shall submit a report to the
22 chairpersons of the senate and house of representatives
23 appropriations committees and the senate and house fiscal agencies
24 and policy offices that includes all of the following information:

25 (a) The number of requests received by the department from
26 adoptive parents for funds or reimbursement of costs to attend
27 conferences that include training or discussion of significant

1 adoption issues.

2 (b) The number of the requests described in subdivision (a)
3 that were approved by the department.

4 (c) The number of the requests described in subdivision (a)
5 that were denied by the department.

6 (d) The total amount of money expended on the requests
7 described in subdivision (a) that were approved.

8 Sec. 558. The department shall submit a report to the
9 chairpersons of the senate and house of representatives
10 appropriations committees and the senate and house fiscal agencies
11 and policy offices that includes all of the following information:

12 (a) The number of fair hearing requests from adoptive parents
13 received by the department challenging the amount of the adoption
14 subsidy.

15 (b) The number of challenges described in subdivision (a)
16 alleging that a means test or similar test was used to determine
17 the amount of the adoption subsidy.

18 (c) The number of challenges described in subdivision (a)
19 alleging that an adoption subsidy amount was reduced without the
20 consent of the adoptive parent.

21 (d) The number of challenges described in subdivision (a)
22 alleging that a request for an increase in an adoption subsidy
23 amount was denied based on a means test or similar test.

24 (e) The number of adoption subsidy payments suspended when the
25 child is still in the custody of the adoptive parent, but no longer
26 in the physical care of that adoptive parent.

27 Sec. 559. If a conflict arises between the provisions of state

1 law, department rules, or department policy, and the provisions of
2 title IV-E, the provisions of title IV-E prevail.

3 Sec. 560. Of the amount appropriated in section 108 of part 1
4 for contractual services, supplies, and materials, the department
5 shall expend an amount to equip all current and new child
6 protective services workers with digital audio/video recorders. All
7 district offices shall have at least 1 digital audio/video
8 recorder. All current and future child protective services workers
9 shall be trained in the use of the digital audio/video recorders.
10 Child protective services workers shall use digital audio/video
11 recorders during their investigations if a public safety officer is
12 not present. It is the intent of the legislature that the use of
13 these recorders will safeguard the information discovered during an
14 investigation for future use in judicial procedures, documentation
15 of child abuse and neglect, and removal of children from a home.

16 Sec. 561. In making expenditures from the appropriations in
17 part 1, the department shall give preference to children's advocacy
18 agencies that provide a coordinated investigation and comprehensive
19 response to child abuse when granting contracts for child abuse
20 services. These agencies shall provide a multidisciplinary team
21 approach for responding to child abuse allegations. The
22 multidisciplinary team should include representation from the
23 children's advocacy agency, law enforcement, child protective
24 services, prosecuting attorneys, mental health agencies, medical
25 professionals, and victim advocacy.

26 Sec. 562. The department may consider allowing a county or
27 counties to submit claims for federal title IV-E foster care

1 funding for placements in secure residential facilities when a
2 county or counties can demonstrate that the reason for the secure
3 placement is a diagnosed medical necessity and not public
4 protection.

5 **PUBLIC ASSISTANCE**

6 Sec. 601. (1) The department may terminate a vendor payment
7 for shelter upon written notice from the appropriate local unit of
8 government that a recipient's rental unit is not in compliance with
9 applicable local housing codes or when the landlord is delinquent
10 on property tax payments. A landlord shall be considered to be in
11 compliance with local housing codes when the department receives
12 from the landlord a signed statement stating that the rental unit
13 is in compliance with local housing codes and that statement is not
14 contradicted by the recipient and the local housing authority. The
15 department shall terminate vendor payments if a taxing authority
16 notifies the department that taxes are delinquent.

17 (2) Whenever a client agrees to the release of his or her name
18 and address to the local housing authority, the department shall
19 request from the local housing authority information regarding
20 whether the housing unit for which vendoring has been requested
21 meets applicable local housing codes. Vendoring shall be terminated
22 for those units that the local authority indicates in writing do
23 not meet local housing codes until such time as the local authority
24 indicates in writing that local housing codes have been met.

25 (3) In order to participate in the rent vendoring programs of
26 the department, a landlord shall cooperate in weatherization and

1 conservation efforts directed by the department or by an energy
2 provider participating in an agreement with the department when the
3 landlord's property has been identified as needing services.

4 Sec. 603. (1) The department, as it determines is appropriate,
5 shall enter into agreements with energy providers by which cash
6 assistance recipients and the energy providers agree to permit the
7 department to make direct payments to the energy providers on
8 behalf of the recipient. The payments may include heat and electric
9 payment requirements from recipient grants and amounts in excess of
10 the payment requirements.

11 (2) The department shall establish caps for natural gas, wood,
12 electric heat service, deliverable fuel heat services, and for
13 electric service based on available federal funds.

14 (3) The department shall review and adjust the standard
15 utility allowance for the state food assistance program to ensure
16 that it reflects current energy costs in the state.

17 Sec. 604. (1) The department shall operate a state disability
18 assistance program. Except as provided in subsection (3), persons
19 eligible for this program shall include needy citizens of the
20 United States or aliens exempted from the supplemental security
21 income citizenship requirement who are at least 18 years of age or
22 emancipated minors meeting 1 or more of the following requirements:

23 (a) A recipient of supplemental security income, social
24 security, or medical assistance due to disability or 65 years of
25 age or older.

26 (b) A person with a physical or mental impairment which meets
27 federal supplemental security income disability standards, except

1 that the minimum duration of the disability shall be 90 days.

2 Substance abuse alone is not defined as a basis for eligibility.

3 (c) A resident of an adult foster care facility, a home for
4 the aged, a county infirmary, or a substance abuse treatment
5 center.

6 (d) A person receiving 30-day postresidential substance abuse
7 treatment.

8 (e) A person diagnosed as having acquired immunodeficiency
9 syndrome.

10 (f) A person receiving special education services through the
11 local intermediate school district.

12 (g) A caretaker of a disabled person as defined in subdivision
13 (a), (b), (e), or (f) above.

14 (2) Applicants for and recipients of the state disability
15 assistance program shall be considered needy if they:

16 (a) Meet the same asset test as is applied to applicants for
17 the family independence program.

18 (b) Have a monthly budgetable income that is less than the
19 payment standards.

20 (3) Except for a person described in subsection (1)(c) or (d),
21 a person is not disabled for purposes of this section if his or her
22 drug addiction or alcoholism is a contributing factor material to
23 the determination of disability. "Material to the determination of
24 disability" means that, if the person stopped using drugs or
25 alcohol, his or her remaining physical or mental limitations would
26 not be disabling. If his or her remaining physical or mental
27 limitations would be disabling, then the drug addiction or

1 alcoholism is not material to the determination of disability and
2 the person may receive state disability assistance. Such a person
3 must actively participate in a substance abuse treatment program,
4 and the assistance must be paid to a third party or through vendor
5 payments. For purposes of this section, substance abuse treatment
6 includes receipt of inpatient or outpatient services or
7 participation in alcoholics anonymous or a similar program.

8 (4) A refugee or asylee who loses his or her eligibility for
9 the federal supplemental security income program by virtue of
10 exceeding the maximum time limit for eligibility as delineated in 8
11 USC 1612 and who otherwise meets the eligibility criteria under
12 this section shall be eligible to receive benefits under the state
13 disability assistance program.

14 Sec. 605. The level of reimbursement provided to state
15 disability assistance recipients in licensed adult foster care
16 facilities shall be the same as the prevailing supplemental
17 security income rate under the personal care category.

18 Sec. 606. County department offices shall require each
19 recipient of state disability assistance who has applied with the
20 social security administration for supplemental security income to
21 sign a contract to repay any assistance rendered through the state
22 disability assistance program upon receipt of retroactive
23 supplemental security income benefits.

24 Sec. 607. The department's ability to satisfy appropriation
25 deductions in part 1 for state disability assistance/supplemental
26 security income recoveries and public assistance recoupment
27 revenues shall not be limited to recoveries and accruals pertaining

1 to state disability assistance, or family independence assistance
2 grant payments provided only in the current fiscal year, but shall
3 include all related net recoveries received during the current
4 fiscal year.

5 Sec. 608. Adult foster care facilities providing domiciliary
6 care or personal care to residents receiving supplemental security
7 income or homes for the aged serving residents receiving
8 supplemental security income shall not require those residents to
9 reimburse the home or facility for care at rates in excess of those
10 legislatively authorized. To the extent permitted by federal law,
11 adult foster care facilities and homes for the aged serving
12 residents receiving supplemental security income shall not be
13 prohibited from accepting third-party payments in addition to
14 supplemental security income provided that the payments are not for
15 food, clothing, shelter, or result in a reduction in the
16 recipient's supplemental security income payment.

17 Sec. 609. The state supplementation level under the
18 supplemental security income program for the personal care/adult
19 foster care and home for the aged categories shall not be reduced
20 during the fiscal year beginning October 1, 2006 and ending
21 September 30, 2007.

22 Sec. 610. In developing good cause criteria for the state
23 emergency relief program, the department shall grant exemptions if
24 the emergency resulted from unexpected expenses related to
25 maintaining or securing employment.

26 Sec. 611. (1) The department shall not require providers of
27 burial services to accept state payment for indigent burials as

1 payments in full. Each provider shall be permitted to collect
2 additional payment from relatives or other persons on behalf of the
3 deceased. The total in additional payments shall not exceed
4 \$2,600.00.

5 (2) Any additional payment collected pursuant to subsection
6 (1) shall not increase the maximum charge limit for state payment
7 as established by law.

8 Sec. 612. For purposes of determining housing affordability
9 eligibility for state emergency relief, a group is considered to
10 have sufficient income to meet ongoing housing expenses if their
11 total housing obligation does not exceed 75% of their total net
12 income.

13 Sec. 613. From the funds appropriated in part 1 for state
14 emergency relief, the maximum allowable charge limit for indigent
15 burials shall be \$909.00. The funds shall be distributed as
16 follows: \$579.00 for funeral directors; \$192.00 for cemeteries or
17 crematoriums; and \$138.00 for the provider of the vault.

18 Sec. 614. The funds available in part 1 for burial services
19 shall be available if the deceased was an eligible recipient and an
20 application for emergency relief funds was made within 10 days of
21 the burial or cremation of the deceased person. Each provider of
22 burial services shall be paid directly by the department.

23 Sec. 615. Except as required by federal law or regulations,
24 funds appropriated in part 1 shall not be used to provide public
25 assistance to a person who is an illegal alien. This section shall
26 not prohibit the department from entering into contracts with food
27 banks or emergency shelter providers who may, as a normal part of

1 doing business, provide food or emergency shelter to individuals.

2 Sec. 617. In operating the family independence program with
3 funds appropriated in part 1, the department shall not approve as a
4 minor parent's adult supervised household a living arrangement in
5 which the minor parent lives with his or her partner as the
6 supervising adult.

7 Sec. 618. The department may only reduce, terminate, or
8 suspend assistance provided under the social welfare act, 1939 PA
9 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of
10 the following situations:

11 (a) The only eligible recipient has died.

12 (b) A recipient member of a program group or family
13 independence assistance group has died.

14 (c) A recipient child is removed from his or her family home
15 by court action.

16 (d) A recipient requests in writing that his or her assistance
17 be reduced, terminated, or suspended.

18 (e) A recipient has been approved to receive assistance in
19 another state.

20 (f) A change in either state or federal law that requires
21 automatic grant adjustments for classes of recipients.

22 (g) The only eligible recipient in the household has been
23 incarcerated.

24 (h) A recipient is no longer a Michigan resident.

25 (i) A recipient is closed on 1 case to be activated on
26 another.

27 (j) Federal payments (other than RSDI, railroad retirement, or

1 VA) to the group have begun or increased.

2 (k) A recipient is disqualified for intentional program
3 violation.

4 (l) When the department's negative action is upheld in an
5 administrative hearing.

6 Sec. 619. The department shall exempt from the denial of title
7 IV-A assistance and food assistance benefits, contained in 21 USC
8 862a, any individual who has been convicted of a felony that
9 included the possession, use, or distribution of a controlled
10 substance, after August 22, 1996, provided that the individual is
11 not in violation of his or her probation or parole requirements.
12 Benefits shall be provided to such individuals as follows:

13 (a) A third-party payee or vendor shall be required for any
14 cash benefits provided.

15 (b) An authorized representative shall be required for food
16 assistance receipt.

17 Sec. 620. The department with the approval of the state budget
18 director is authorized to increase federal spending authority for
19 food assistance program benefits if projected caseload spending
20 will exceed the spending authority in part 1. This authorization
21 adjustment shall be made 15 days after notifying the chairs of the
22 house and senate appropriations subcommittees on the department
23 budget and house and senate fiscal agencies.

24 Sec. 621. Funds appropriated in part 1 may be used to support
25 multicultural assimilation and support services. The department
26 shall distribute all of the funds described in this section based
27 on assessed community needs.

1 Sec. 627. (1) From the funds appropriated in part 1 for day
2 care services, the department may contract to administer an amount
3 not to exceed \$1,350,000.00 for the "enhance quality improvement
4 program" (EQUIP) grants. A priority for the expenditure of EQUIP
5 funds shall be given to providers to expand access to child care,
6 specifically 24-hour care, care for children of parents working
7 evening or night shifts, and weekend care. A child care program
8 shall not be eligible for an EQUIP grant unless 25% or more of its
9 clients receive day care payments from the department.

10 (2) From the funds appropriated in part 1 for day care
11 services, the department may establish an additional fund of at
12 least \$350,000.00 for a grant pool for an "enhance quality
13 improvement program" (EQUIP) specifically to establish new family
14 and group home day care providers.

15 Sec. 631. The department shall maintain policies and
16 procedures to achieve all of the following:

17 (a) The identification of individuals on entry into the system
18 who have a history of domestic violence, while maintaining the
19 confidentiality of that information.

20 (b) Referral of persons so identified to counseling and
21 supportive services.

22 (c) In accordance with a determination of good cause, the
23 waiving of certain requirements of family independence programs
24 where compliance with those requirements would make it more
25 difficult for the individual to escape domestic violence or would
26 unfairly penalize individuals who have been victims of domestic
27 violence or who are at risk of further domestic violence.

1 Sec. 635. Within 6 business days of receiving all information
2 necessary to process an application for payments for child day
3 care, the department shall determine whether the child day care
4 provider to whom the payments, if approved, would be made, is
5 listed on the child abuse and neglect central registry. If the
6 provider is listed on the central registry, the department shall
7 immediately send written notice denying the applicant's request for
8 child day care payments.

9 Sec. 640. (1) From the funds appropriated in part 1 for day
10 care services, the department may continue to provide infant and
11 toddler incentive payments to child day care providers serving
12 children from 0 to 2-1/2 years of age who meet licensing or
13 training requirements.

14 (2) The use of the funds under this section should not be
15 considered an ongoing commitment of funding.

16 Sec. 641. In collaboration with Central Michigan University,
17 the department shall develop and disseminate read, educate, and
18 develop youth (R.E.A.D.Y.) kits to parents of preschool and
19 kindergarten children to provide these parents with information
20 about how they can prepare their children for reading success.

21 Sec. 643. As a condition of receipt of federal TANF funds,
22 homeless shelters shall collaborate with the department to obtain
23 necessary TANF eligibility information on families as soon as
24 possible after admitting a family to the homeless shelter. From the
25 funds appropriated in part 1 for homeless shelter contracts, the
26 department is authorized to make allocations of TANF funds only to
27 the agencies that report necessary data to the department for the

1 purpose of meeting TANF eligibility reporting requirements.
2 Homeless shelters that do not report necessary data to the
3 department for the purpose of meeting TANF eligibility reporting
4 requirements will not receive reimbursements which exceed the per
5 diem amount they received in fiscal year 2000. The use of TANF
6 funds under this section should not be considered an ongoing
7 commitment of funding.

8 Sec. 645. An individual or family is considered homeless, for
9 purposes of eligibility for state emergency relief, if living
10 temporarily with others in order to escape domestic violence. For
11 purposes of this section, domestic violence is defined and verified
12 in the same manner as in the department's policies on good cause
13 for not cooperating with child support and paternity requirements.

14 Sec. 648. (1) Beginning December 31, 2006, if the department
15 has determined that an individual is eligible to participate in the
16 work first program, family independence program assistance shall be
17 paid to that individual's program group for not longer than a
18 cumulative total of 48 months after the establishment of the
19 state's temporary assistance for needy families program on October
20 1, 1996. Any month in which the unemployment rate in the county in
21 which the individual resides is higher than 10% shall not be
22 counted toward the cumulative total of 48 months for family
23 independence program assistance. Any month in which all adult
24 recipients in the program group are temporarily exempted from work
25 first participation shall not be counted toward the cumulative
26 total of 48 months for family independence program assistance.

27 (2) If the department determines that an individual is

1 eligible to participate in the work first program, family
2 independence program assistance shall not be paid to that
3 individual's program group for longer than 24 consecutive months
4 during any period starting with the first payment received after
5 December 31, 2006 or after the completion of the individual's
6 personal responsibility plan and personal work plan, whichever is
7 earlier. Once assistance is suspended under this subsection, the
8 individual shall remain ineligible for further assistance for a
9 period of 12 months.

10 (3) Nothing in this section prevents the department from
11 providing family independence program assistance to program groups
12 in which adult recipients are determined to be exempt under section
13 57f(3) or 56i(1)(c) of the social welfare act, 1939 PA 280, MCL
14 400.57f and 400.56i.

15 Sec. 649. (1) If a family independence program assistance
16 recipient does not meet the recipient's personal responsibility
17 plan or personal work plan requirements, the department shall
18 impose a penalty.

19 (2) The department shall implement a schedule of sanctions for
20 instances of noncompliance as described in this subsection. After
21 termination of family independence program assistance, the penalty
22 shall be as follows:

23 (a) For the first instance of noncompliance, the recipient's
24 program group is ineligible for family independence program
25 assistance for not less than 3 calendar months.

26 (b) For the second instance of noncompliance, the recipient's
27 program group is ineligible for family independence program

1 assistance for not less than 3 calendar months.

2 (c) For a third instance of noncompliance, the recipient's
3 program group is ineligible for family independence program
4 assistance for not less than 12 calendar months.

5 (d) For a fourth instance of noncompliance, the recipient's
6 group is permanently ineligible for family independence program
7 assistance.

8 (3) For the first, second, and third instances of
9 noncompliance resulting in termination of family independence
10 assistance for any period of time, both of the following apply:

11 (a) Family independence program assistance may be approved to
12 begin at the conclusion of the sanction period if the recipient
13 attends a joint meeting with his or her family independence
14 specialist caseworker and work first program caseworker and
15 develops an approved corrective action plan. The meeting shall
16 include a discussion and official warning regarding sanctions that
17 may be imposed for future instances of noncompliance.

18 (b) The period of time the recipient is ineligible to receive
19 family independence program assistance applies toward the
20 recipient's 48-month cumulative total established in section 648.

21 Sec. 650. From the funds appropriated in part 1 for family
22 independence program, in calculating family assistance monthly
23 benefit amounts, the department shall disregard earned income from
24 the amount subtracted from a program group's payment standard in
25 accordance with the following provisions:

26 (a) For program groups in which all adults are exempt from the
27 work first program, the department shall disregard the first

1 \$200.00 of earned income plus 20% of any remaining earned income.

2 (b) For program groups that contain an adult not exempt from
3 the work first program and that are meeting the relevant federal
4 work participation requirement, the department shall disregard the
5 first \$200.00 of earned income plus 20% of any remaining earned
6 income.

7 (c) For program groups that contain an adult not exempt from
8 the work first program but that are not meeting the relevant
9 federal work participation requirement, the department shall
10 disregard 20% of any earned income.

11 Sec. 651. All adult family independence program assistance
12 recipients exempt from the work first program requirements on the
13 basis of incapacitation as referenced in section 57f(3)(f)(ii) of
14 the social welfare act, 1939 PA 280, MCL 400.57f, but who have not
15 yet qualified for federal supplemental security income assistance
16 shall be referred to a Michigan works agency that will refer the
17 recipient to a community-based organization with demonstrated
18 ability of providing vocational rehabilitation and evaluation
19 services for persons with disabilities for further assessment.
20 Based on this assessment, recipients shall be categorized as 1 of
21 the following:

22 (a) Able to participate in outside work.

23 (b) Able to participate in work with some support. The
24 department shall contract with a qualified community-based
25 organization to provide employment and rehabilitation services for
26 these individuals.

27 (c) Likely eligible for federal supplemental security income.

1 These individuals will be referred to the legal services
2 association of Michigan for SSI advocacy assistance. The department
3 shall contract with the legal services association of Michigan for
4 SSI advocacy services at a cost not to exceed \$650.00 per case.
5 Contract funding shall be outcomes-based, with not more than
6 \$350.00 provided upon referral and not more than \$300.00 paid based
7 upon successfully gaining SSI eligibility for the applicant.

8 Sec. 651a. The department shall submit a report to the house
9 and senate appropriations subcommittees on the department budget,
10 the house and senate fiscal agencies, the house and senate policy
11 offices, and the state budget office by October 15, 2006 on the
12 results of the department's assessments of family independence
13 program clients exempted from work first due to a claimed
14 disability. The report shall outline the number of clients who
15 were:

16 (a) Determined work ready and referred to the work first
17 program.

18 (b) Determined work ready with additional support and referred
19 to a qualified community-based organization for further assessment
20 and employment and rehabilitation services.

21 (c) Determined likely to be eligible for federal SSI
22 assistance and referred to legal services association.

23 Sec. 652. (1) In determining a program group's family
24 independence program assistance monthly payment standard, the
25 department shall not take into consideration in calculating the
26 payment standard the geographical area or shelter area in which the
27 program group resides. The department shall not adjust a program

group's family independence program assistance payment standard based on whether a recipient is exempt from the work first program requirements.

(2) The family independence program assistance monthly payment standard for households in which only eligible children are counted in determining family size or in which the grantee is receiving supplemental security income shall be paid at an amount not to exceed the amount per family size listed as follows:

Family Size	Grant Level
1	\$137.00
2	\$266.00
3	\$411.00
4	\$548.00
5	\$689.00
6	\$828.00
7	\$910.00

(3) For all other individuals eligible to receive family independence program assistance who are not described under subsection (2), the family independence program assistance monthly payment standard shall be paid at an amount not to exceed the amount per family size listed as follows:

Family Size	Grant Level
1	\$276.00
2	\$371.00
3	\$459.00
4	\$563.00
5	\$659.00

1	6	\$792.00
2	7	\$868.00

3 (4) For the purposes of determining the payment standard under
4 subsections (2) and (3), for a family of 8 or more the payment
5 standard is increased by \$79.00 for each additional family member
6 over 7.

7 Sec. 653. From the funds appropriated in part 1 for food
8 assistance, an individual who is the victim of domestic violence
9 and does not qualify for any other exemption may be exempt from the
10 3-month in 36-month limit on receiving food assistance under 7 USC
11 2015. This exemption can be extended an additional 3 months upon
12 demonstration of continuing need.

13 Sec. 657. (1) The department shall fund a statewide before- or
14 after-school program to provide youth with a safe, engaging
15 environment to motivate and inspire learning outside the
16 traditional classroom setting. Before- or after-school program
17 eligibility is limited to geographic areas near school buildings
18 that do not meet federal no child left behind annual yearly
19 progress (AYP) requirements and that include the before- or after-
20 school programs in the AYP plans as a means to improve outcomes.
21 Before-school programs are limited to elementary school-aged
22 children. Effective before- or after-school programs combine
23 academic, enrichment, and recreation activities to guide learning
24 and inspire children and youth in various activities. The before-
25 or after-school programs can meet the needs of the communities
26 served by the programs.

27 (2) The department shall work in collaboration with

1 independent contractors to put into practice a program establishing
2 quality before- or after-school programs for children in
3 kindergarten to ninth grades. In order for an independent
4 contractor to receive TANF funds, a child served must be a member
5 of a family with an income that does not exceed 200% of the federal
6 poverty guidelines published by the United States department of
7 health and human services.

8 (3) The department shall, through a competitive bid process,
9 provide grants or contracts up to \$5,000,000.00 in TANF funds for
10 the program based on community needs. A county shall receive no
11 more than 20% of the funds appropriated in part 1 for this program.
12 From the funds appropriated in part 1 for before- or after-school
13 programs within day care services, the department is authorized to
14 make allocations of funds only to the agencies that report
15 necessary data to the department for the purpose of meeting TANF
16 and maintenance of effort eligibility reporting requirements. The
17 use of funds under this section should not be considered an ongoing
18 commitment of funding.

19 (4) The before- or after-school programs shall include
20 academic assistance, including assistance with reading and writing,
21 and at least 3 of the following topics:

22 (a) Abstinence-based pregnancy prevention.

23 (b) Chemical abuse and dependency including nonmedical
24 services.

25 (c) Gang violence prevention.

26 (d) Preparation toward future self-sufficiency.

27 (e) Leadership development.

1 (f) Case management or mentoring.

2 (g) Parental involvement.

3 (h) Anger management.

4 (5) The department may enter into grants or contracts with
5 independent contractors including, but not limited to, faith-based
6 organizations, boys or girls clubs, schools, or nonprofit
7 organizations. The department shall grant priority in funding
8 independent contractors who secure at least 25% in matching funds.
9 The matching funds may either be fulfilled through local, state, or
10 federal funds, and/or through in-kind or other donations.

11 (6) A referral to a program may be made by, but is not limited
12 to, any of the following: a teacher, counselor, parent, police
13 officer, judge, or social worker.

14 (7) By January 30, 2007, the department before- or after-
15 school program expenditures shall be audited and the department
16 shall work in collaboration with independent contractors to provide
17 a report on the before- or after-school program to the senate and
18 house standing committees dealing with human services, the senate
19 and house appropriations subcommittees for the department budget,
20 the senate and house fiscal agencies, and the senate and house
21 policy offices. The report shall include the number of participants
22 and the average cost per participant, as well as changes noted in
23 program participants in any of the following categories:

24 (a) Juvenile crime.

25 (b) Aggressive behavior.

26 (c) Academic achievement.

27 (d) Development of new skills and interests.

1 (e) School attendance and dropout rates.

2 (f) Behavioral changes in school.

3 Sec. 658. From the funds appropriated in part 1 for day care
4 services, \$100,000.00 in TANF funds shall be allocated to Grand
5 Rapids youth commonwealth to support after-school and summer
6 programs at camp O'Malley. As a condition for receiving funds,
7 Grand Rapids youth commonwealth shall comply with all policies and
8 reporting requirements placed on recipients of before- and after-
9 school grants awarded under section 657.

10 Sec. 660. From the funds appropriated in part 1 for food bank
11 funding, the department is authorized to make allocations of TANF
12 funds only to the agencies that report necessary data to the
13 department for the purpose of meeting TANF eligibility reporting
14 requirements. The agencies that do not report necessary data to the
15 department for the purpose of meeting TANF eligibility reporting
16 requirements will not receive allocations in excess of those
17 received in fiscal year 2000. The use of TANF funds under this
18 section should not be considered an ongoing commitment of funding.

19 Sec. 665. The department shall partner with the department of
20 transportation to use TANF and other sources of available funding
21 to support public transportation needs of TANF-eligible
22 individuals. This partnership shall place a priority on
23 transportation needs for employment or seeking employment or
24 medical or health-related transportation.

25 Sec. 666. The department shall continue efforts to increase
26 the participation of eligible family independence program
27 recipients in the federal earned income tax credit.

1 Sec. 668. (1) In coordination with the Michigan alliance of
2 boys and girls clubs, the department shall expend \$250,000.00 to
3 make allocations for a statewide collaborative project to develop a
4 community-based program available to children ages 6 to 15.

5 (2) The department shall make allocations of TANF funds under
6 this section only to agencies that report necessary data to the
7 department for the purpose of meeting the TANF eligibility
8 reporting requirements. The use of TANF funds under this section
9 should not be considered an ongoing commitment.

10 (3) The department shall grant priority in funding to programs
11 that provide at least 10% in matching funds. The matching funds
12 requirement shall be fulfilled through any combination of local,
13 state, or federal funds or in-kind or other donations. A program
14 that cannot meet the matching requirement shall not be excluded
15 from applying for a contract.

16 Sec. 669. (1) The department shall distribute cash and food
17 assistance to recipients electronically by using debit cards.

18 (2) The department shall allocate up to \$7,167,500.00 for the
19 annual clothing allowance. The allowance shall be granted to all
20 eligible children as defined by the department.

21 Sec. 670. The funds appropriated in part 1 for kinship care in
22 the fiscal year ending September 30, 2007 reflect the legislature's
23 commitment to reduce the benefit discrepancy between kinship care
24 and a similar family size within the family independence agency
25 program (FIP). The legislature recognizes the commitment of
26 relatives to provide family continuity, nurturance, and care for
27 this special population of children who can no longer remain in

1 their parents' care due to abuse, neglect, or other social
2 problems.

3 Sec. 673. The department shall immediately send notification
4 to a client participating in the state child day care program and
5 his or her child day care provider if the client's eligibility is
6 reduced or eliminated.

7 Sec. 674. The department shall develop and implement a plan to
8 reduce waste, fraud, and abuse within the child day care program,
9 including feasibility for expanding wage match and employer
10 verification, unannounced home call verification at day care sites,
11 compliance with recommendations of the auditor general in the May
12 2005 performance audit of the child day care and child welfare
13 licensing divisions, and other process changes. The department
14 shall report by December 15 of each year to the senate and house
15 appropriations subcommittees for the department budget, the senate
16 and house fiscal agencies and policy offices, and the state budget
17 director on plan details and implementation status.

18 Sec. 675. The department shall continue to explore policy
19 options and the potential costs of implementing a child day care
20 rate structure that more accurately reflects the market costs of
21 care by vicinity.

22 Sec. 676. (1) The department shall collaborate with the state
23 board of education to extend the duration of the Michigan after-
24 school partnership and oversee its efforts to implement the policy
25 recommendations and strategic next steps identified in the Michigan
26 after-school initiative's report of December 15, 2003.

27 (2) From the funds appropriated in part 1, \$25,000.00 may be

1 used to support the Michigan after-school partnership and shall be
2 used to leverage other private and public funding to engage the
3 public and private sectors in building and sustaining high-quality
4 out-of-school-time programs and resources. The co-chairs shall name
5 a fiduciary agent and may authorize the fiduciary to expend funds
6 and hire people to accomplish the work of the Michigan after-school
7 partnership.

8 (3) Each year, on or before December 31, the Michigan after-
9 school partnership shall report its progress in reaching the
10 recommendations set forth in the Michigan after-school initiative's
11 report to the senate and house committees on appropriations, the
12 senate and house fiscal agencies and policy offices, and the state
13 budget director.

14 Sec. 677. The department shall establish a state goal for the
15 percentage of family independence program (FIP) cases involved in
16 employment activities. The percentage established shall not be less
17 than 50%. On a quarterly basis, the department shall report to the
18 senate and house appropriations subcommittees on the department
19 budget, the senate and house fiscal agencies and policy offices,
20 and the state budget director on the current percentage of FIP
21 cases involved in employment activities. If the FIP case percentage
22 is below the goal for more than 2 consecutive quarters, the
23 department shall develop a plan to increase the percentage of FIP
24 cases involved in employment-related activities. The department
25 shall deliver the plan during the next annual budget presentation
26 to the senate and house appropriations subcommittees on the
27 department budget.

1 Sec. 678. (1) The department shall provide the house and
2 senate appropriations subcommittees on the department budget with
3 an annual report on the activities of the early childhood
4 investment corporation (ECIC). The report is due by February 1 of
5 each year and shall contain at least the following information:

6 (a) Expenditures for the prior fiscal year and planned
7 expenditures for the current fiscal year for ECIC administration
8 and for each program administered by the ECIC.

9 (b) The projected funding sources for the ECIC expenditures in
10 subdivision (a).

11 (c) A list of all new and ongoing contracts for ECIC programs.

12 (2) All contracts shall be bid out through a statewide
13 request-for-proposal process, and the department shall send a
14 report to the house and senate appropriations subcommittees on the
15 department budget covering the selection criteria for establishing
16 contracts at least 30 days before the issuance of any request for
17 proposals.

18 Sec. 680. The appropriation in part 1 for family independence
19 program includes \$50,000,000.00 funded through state general fund
20 revenue and not intended to count toward state maintenance of
21 effort requirements. The legislature intends that this funding be
22 used during fiscal year 2006-2007 to assist the state in meeting
23 federal work participation requirements. However, the department
24 shall not rely on this funding to meet the work participation
25 requirement beyond fiscal year 2006-2007.

26 Sec. 681. By December 1, 2006, the department shall implement
27 policy changes in the distribution of food assistance program

1 benefits to address concerns expressed by grocers, food providers,
2 and the Michigan food policy council. The distribution change shall
3 seek to achieve a more uniform flow of food assistance expenditures
4 in any given month and also consider the needs of recipients. A
5 report on the implemented policy changes shall be provided to the
6 house and senate appropriations committees, the house and senate
7 fiscal agencies, and the house and senate policy offices by
8 December 1, 2006.

9 JUVENILE JUSTICE SERVICES

10 Sec. 702. Expansion of facilities funded under part 1 for
11 juvenile justice services shall not be authorized by the joint
12 capital outlay subcommittee of the appropriations committees until
13 the department has held a public hearing in the community where the
14 facility proposed to be expanded is located.

15 Sec. 705. (1) The department, in conjunction with private
16 juvenile justice residential programs, shall develop a methodology
17 for measuring goals, objectives, and performance standards for the
18 delivery of juvenile justice residential programs based on national
19 standards and best practices. These goals, objectives, and
20 performance standards shall apply to both public and private
21 delivery of juvenile justice residential programs, and data shall
22 be collected from both private and public juvenile justice
23 residential programs that can be used to evaluate performance
24 achievements, including, but not limited to, the following:

25 (a) Admission and release data and other information related
26 to demographics of population served.

1 (b) Program descriptions and information related to treatment,
2 educational services, and conditions of confinement.

3 (c) Program outcomes including recidivism rates for youth
4 served by the facility.

5 (2) The department during the annual budget presentation shall
6 outline the progress of the development of the goals, objectives,
7 and performance standards, as well as the information collected
8 through the implementation of the performance measurement program.
9 The presentation shall include all of the following:

10 (a) Trends in census and population demographics.

11 (b) Program outcomes.

12 (c) Staff and resident safety.

13 (d) Facility profile.

14 (e) Fiscal information necessary for qualitative understanding
15 of program operations and comparative costs of public and private
16 facilities.

17 Sec. 706. Counties shall be subject to 50% charge-back for the
18 use of alternative regional detention services, if those detention
19 services do not fall under the basic provision of section 117e of
20 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county
21 operates those detention services programs primarily with
22 professional rather than volunteer staff.

23 Sec. 707. In order to be reimbursed for child care fund
24 expenditures, counties are required to submit department-developed
25 reports to enable the department to document potential federally
26 claimable expenditures. This requirement is in accordance with the
27 reporting requirements specified in section 117a(7) of the social

1 welfare act, 1939 PA 280, MCL 400.117a.

2 Sec. 708. As a condition of receiving funds appropriated in
3 part 1 for the child care fund, by February 15, 2007, counties
4 shall have an approved service spending plan for the fiscal year
5 ending September 30, 2007. Counties must submit the service
6 spending plan to the department by December 15, 2006 for approval.

7 Sec. 714. (1) The department shall provide technical
8 assistance for counties to develop information networks including,
9 but not limited to, serious habitual offenders comprehensive action
10 program (SHOCAP), juvenile justice on-line technology (JJOLT), and
11 juvenile violent reporting system (JVRS).

12 (2) The department shall assist counties in identifying
13 funding sources for the networks, including, but not limited to,
14 the child care fund and the juvenile accountability incentive block
15 grant.

16 (3) The local units of government shall report to the
17 department on expenditures of their juvenile justice information
18 networks in concert with their requests for reimbursement from the
19 child care fund.

20 (4) The department shall report to the senate and house
21 appropriations subcommittees for the department budget, the senate
22 and house fiscal agencies and policy offices, and the state budget
23 director by January 15, 2007 on department efforts to encourage
24 county information networks development described in subsection
25 (1).

26 Sec. 715. (1) It is the intent of the legislature that the
27 primary function of the juvenile justice system shall be to promote

1 the protection of individuals and communities through the reduction
2 of juvenile crime.

3 (2) The department shall report to the senate and house
4 appropriations subcommittees for the department budget, the senate
5 and house fiscal agencies and policy offices, and the state budget
6 director by October 30, 2006 on the status of implementing
7 recommendations of the 2001 joint house and senate task force on
8 juvenile justice, including, but not limited to, the following:

9 (a) Mentoring programs that focus on improving communication
10 and collaboration, encourage quality mentoring programs,
11 recruitment of mentors, and increasing public awareness of and
12 participation in programs for at-risk youth.

13 (b) Discussion of programs relating to juvenile information
14 networks as an Internet-based communication tool that assists with
15 case management of juvenile offenders in the area.

16 (c) Discussion of the possibility of implementing a program
17 modeled after the "Wisconsin citizenship initiative" to collaborate
18 with the before- or after-school programs offered under the
19 authority of this article.

20 (d) Exploration of the option of a summit conducted via the
21 Internet to discuss measures relating to the prevention and
22 intervention of at-risk youth.

23 (e) Discussion of California's "8% early intervention" program
24 that focuses on aggressive early intervention and treatment of
25 young, high at-risk juvenile offenders and their families.

26 (f) Multisystem therapy.

27 (g) Youth service projects.

1 (h) Community services projects.

2 Sec. 719. The department shall notify the legislature at least
3 30 days before closing or making any change in the status of a
4 state juvenile justice facility.

5 Sec. 720. (1) The goal of high security juvenile services
6 funded in part 1 shall be to protect the general public from
7 dangerous juvenile offenders while providing rehabilitation
8 services to those offenders to safely prepare them for entry into
9 society.

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

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

18 (a) Lower recidivism rates.

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

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

21 (d) Lower average cost per resident.

22 (e) Availability of appropriate services to residents.

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

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

5 Sec. 721. (1) The goal of medium or low security juvenile
6 services shall be effective treatment of juvenile offenders to
7 safely prepare them for entry into society.

8 (2) The department shall allocate money to public and private
9 providers of medium or low security juvenile services based on
10 their ability to demonstrate results in all of the following:

11 (a) Reduced rates of recidivism.

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

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

14 (d) Availability of appropriate services to residents.

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

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

24 Sec. 722. (1) The goal of community juvenile justice centers
25 shall be the effective treatment and rehabilitation of juvenile
26 offenders in appropriate community settings.

27 (2) The department shall allocate money to public and private

1 providers of juvenile justice day programs based on their ability
2 to demonstrate results in all of the following:

3 (a) Reduced rates of recidivism.

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

5 (c) Availability of appropriate services to offenders.

6 Sec. 723. A provider of juvenile services may receive funding
7 for services of different security levels if the provider has
8 appropriate services for each security level and adequate measures
9 to separate residents of each security level.

10 **LOCAL OFFICE SERVICES**

11 Sec. 750. The department shall maintain out-stationed
12 eligibility specialists in community-based organizations and
13 hospitals in the same locations as in fiscal year 2003-2004 in
14 cases where the hospital or organization is willing to continue to
15 provide the required matching funds.

16 Sec. 751. (1) From the funds appropriated in part 1, the
17 department shall implement school-based family resource centers
18 based on the following guidelines:

19 (a) The center is supported by the local school district.

20 (b) The programs and information provided at the center do not
21 conflict with sections 1169, 1507, and 1507b of the revised school
22 code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

23 (c) Notwithstanding subdivision (b), the center shall provide
24 information regarding crisis pregnancy centers or adoption service
25 providers in the area.

26 (2) The department shall notify the senate and house

1 subcommittees on the department budget, the senate and house fiscal
2 agencies and policy offices, and the state budget office of family
3 resource center expansion efforts and shall provide all of the
4 following at the beginning of the selection process or no later
5 than 5 days after eligible schools receive opportunity
6 notification:

7 (a) A list of eligible schools.

8 (b) The selection criteria to be used.

9 (c) The projected number to be opened.

10 (d) The financial implications for expansion, including
11 funding sources.

12 Sec. 753. The department shall implement the recommendations
13 of the 2004 public private partnership initiative's training
14 committee to define, design, and implement a train-the-trainer
15 program to certify private agency staff to deliver child welfare
16 staff training, explore the use of e-learning technologies, and
17 include consumers in the design and implementation of training. The
18 intent of the legislature is to reduce training and travel costs
19 for both the department and the private agencies. The department
20 shall report no later than December 1, 2006 on each specific policy
21 change made to implement enacted legislation and the plans to
22 implement the recommendations, including time lines, to the senate
23 and house appropriations subcommittees on the department budget,
24 the senate and house standing committees on human services matters,
25 the senate and house fiscal agencies and policy offices, and the
26 state budget director.

27 Sec. 754. Appropriations in part 1 include funding for an

1 additional 80 new specialized field office staff positions to
2 facilitate the statewide expansion of the department's existing
3 pilot program aimed at assisting long-term welfare recipients. The
4 expanded "Express JET" program would provide each county at least 1
5 specialized staff member assigned to monitor both cases that are
6 referred to the work first program and cases that are referred back
7 to the department from work first due to compliance issues. These
8 specialized staff would ensure that all client work activities are
9 recognized and counted as well as prompt action on cases moving
10 between the department and work first, including the application of
11 sanctions where necessary. The goal of the program is to maximize
12 client engagement in work participation activities that are
13 countable toward federal requirements. The 80 new positions are in
14 addition to the 22 positions already included in the fiscal year
15 2005-2006 budget for the existing pilot program.

16 **DISABILITY DETERMINATION SERVICES**

17 Sec. 801. The department disability determination services in
18 agreement with the department of management and budget office of
19 retirement systems will develop the medical information and make
20 recommendations for medical disability retirement for state
21 employees, state police, judges, and school teachers.

22 **CHILD SUPPORT ENFORCEMENT**

23 Sec. 901. (1) The appropriations in part 1 assume a total
24 federal child support incentive payment of \$26,500,000.00.

25 (2) From the federal money received for child support

1 incentive payments, \$12,000,000.00 shall be retained by the state
2 and expended for child support program expenses.

3 (3) From the federal money received for child support
4 incentive payments, \$14,500,000.00 shall be paid to the counties
5 based on each county's performance level for each of the federal
6 performance measures as established in the code of federal
7 regulations, CFR 45.305.2.

8 (4) If the child support incentive payment to the state from
9 the federal government is greater than \$26,500,000.00, then 100% of
10 the excess shall be retained by the state and is appropriated until
11 the total retained by the state reaches \$15,397,400.00.

12 (5) If the child support incentive payment to the state from
13 the federal government is greater than the amount needed to satisfy
14 the provisions identified in subsections (1), (2), (3), and (4),
15 the additional funds shall be subject to appropriation by the
16 legislature.

17 (6) If the child support incentive payment to the state from
18 the federal government is less than \$26,500,000.00, then the state
19 and county share shall each be reduced by 50% of the shortfall.

20 Sec. 902. (1) The department shall continue its work to fix
21 and improve the child support computer system using the funding
22 carried forward from fiscal year 2005-2006 appropriations.

23 (2) The department shall consult with the department of
24 treasury and any outside consultant with collections expertise
25 under contract with the department of treasury to develop a plan to
26 maximize the collection of child support and child support
27 arrearage settlement for the purposes of this section.

1 (3) The department, through the child support leadership
2 group, shall provide quarterly reports to the legislature
3 concerning money expended and improvements made as a result of this
4 section.

5 Sec. 903. The department may facilitate with the department of
6 community health a program under which the departments
7 independently or jointly contract with local friend of the court
8 offices to update and maintain the child support statewide database
9 with health insurance information in cases in which the court has
10 ordered a party to the case to maintain health insurance coverage
11 for the minor child or children involved in the case and to assist
12 in the recovery of money paid by the state for health care costs
13 that are otherwise recoverable from a party to the case. The
14 program shall be in addition to a program or programs under
15 existing contract between either or both of the departments with a
16 private entity on September 1, 2005. The program shall be entirely
17 funded with state and federal funds from money first recovered or
18 through costs that are avoided by charging the insurance coverage
19 for minor children from state programs to private insurance.

20 Sec. 904. The department is prohibited from charging back to
21 the counties any of the fees paid that are charged by the internal
22 revenue service or the department of treasury related to the tax
23 intercept and offset programs. The state share of those fees shall
24 be paid from money otherwise provided for office of child support
25 programs.

26 Sec. 905. Of the funds appropriated in part 1 for child
27 support collections, \$1,000,000.00 shall be allocated to counties

1 for the local match for friend of the court services legal support
2 contracts and to payments to county prosecutors for related legal
3 services.

4 Sec. 906. From the funds appropriated in part 1 for legal
5 support contracts, \$3,000,000.00 shall be allocated and paid
6 pursuant to section 18a of the social welfare act, 1939 PA 280, MCL
7 400.18a.

8 Sec. 907. The office of child support shall establish a pilot
9 program to examine the effectiveness of contracting with a public
10 or private collection agency as authorized under section 10 of the
11 office of child support act, 1971 PA 174, MCL 400.240. The pilot
12 program shall be implemented during fiscal year 2006-2007.

13 **OFFICE OF CHILDREN AND ADULT LICENSING**

14 Sec. 1001. The department shall assess fees in the licensing
15 and regulation of child care organizations as defined in 1973 PA
16 116, MCL 722.111 to 722.128, and adult foster care facilities as
17 defined in the adult foster care facility licensing act, 1979 PA
18 218, MCL 400.701 to 400.737. Fees collected by the department shall
19 be used exclusively for the purpose of licensing and regulating
20 child care organizations and adult foster care facilities.

21 Sec. 1002. The department shall furnish the clerk of the
22 house, the secretary of the senate, the senate and house fiscal
23 agencies and policy offices, the state budget office, and all
24 members of the house and senate appropriations committees with a
25 summary of any evaluation reports and subsequent approvals or
26 disapprovals of juvenile residential facilities operated by the

1 department, as required by section 6 of 1973 PA 116, MCL 722.116.
2 If no evaluations are conducted during the fiscal year, the
3 department shall notify the fiscal agencies and all members of the
4 appropriate subcommittees of the house and senate appropriations
5 committees.

6 Sec. 1003. If federal funds become available to support a lead
7 testing program, the department shall, before issuing a license for
8 a day care facility and as part of licensing review and facility
9 inspection, require documentation verifying that the facility has
10 been inspected for lead hazards and that any lead hazards
11 identified have been remediated.

12 Sec. 1005. The department shall develop a plan for a
13 performance-based licensing system. The plan shall include an
14 approach that emphasizes site visits for new licensees and
15 licensees with violations or filed complaints and random, but not
16 required, site visits for licensees who have been in business for 5
17 years or more with no violations or filed complaints. The plan
18 shall direct the licensing staff and field consultants to
19 prioritize resources and site reviews on new licensees and those
20 with documented complaints. The plan shall include an
21 implementation date for fiscal year 2005-2006 and be submitted, by
22 January 31, 2006, to the senate and house appropriations
23 subcommittees on the department budget, the senate and house fiscal
24 agencies and policy offices, and the state budget director.

25 ARTICLE 11

26 JUDICIARY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2007, 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.....	509.0	
GROSS APPROPRIATION.....		\$ 259,348,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,563,500
ADJUSTED GROSS APPROPRIATION.....		\$ 256,785,100
Federal revenues:		
Total federal revenues.....		4,126,400
Special revenue funds:		
Total local revenues.....		3,612,400
Total private revenues.....		842,500
Total other state restricted revenues.....		87,178,400
State general fund/general purpose.....		\$ 161,025,400
Sec. 102. SUPREME COURT (SAFETY)		
Full-time equated exempted positions.....	235.0	
Supreme court administration--97.0 FTE positions		\$ 11,361,800
Judicial institute--16.0 FTE positions		2,756,500

1	State court administrative office--62.0 FTE positions	10,562,100
2	Judicial information systems--18.0 FTE positions	2,791,100
3	Direct trial court automation support--26.0 FTE	
4	positions	3,612,400
5	Foster care review board--12.0 FTE positions	1,277,800
6	Community dispute resolution--4.0 FTE positions	2,277,300
7	Other federal grants.....	275,000
8	Drug treatment courts.....	<u>4,729,000</u>
9	GROSS APPROPRIATION..... \$	39,643,000
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from department of community health.....	1,800,000
13	IDG from department of labor and economic growth.....	40,000
14	IDG from state police - Michigan justice training fund	300,000
15	Federal revenues:	
16	DOJ, victims assistance programs.....	50,000
17	DOJ, drug court training and evaluation.....	300,000
18	DOT, national highway traffic safety administration..	300,000
19	HHS, access and visitation grant.....	387,000
20	HHS, children's justice grant.....	206,300
21	HHS, court improvement project.....	1,160,000
22	HHS, title IV-D child support program.....	907,700
23	HHS, title IV-E foster care program.....	540,400
24	Other federal grant revenues.....	275,000
25	Special revenue funds:	
26	Local - user fees.....	3,612,400
27	Private.....	169,000

1	Private - interest on lawyers trust accounts	232,700
2	Private - state justice institute	370,800
3	Community dispute resolution fund	2,277,300
4	Law exam fees	482,100
5	Drug court fund	1,920,500
6	Miscellaneous revenue	227,900
7	Justice system fund	700,000
8	State court fund	339,000
9	State general fund/general purpose	\$ 23,044,900
10	Sec. 103. COURT OF APPEALS (SAFETY)	
11	Full-time equated exempted positions	212.0
12	Court of appeals operations--212.0 FTE positions	\$ <u>19,865,700</u>
13	GROSS APPROPRIATION	\$ 19,865,700
14	Appropriated from:	
15	Special revenue funds:	
16	Court filing/motion fees	1,958,500
17	Miscellaneous revenue	77,800
18	State general fund/general purpose	\$ 17,829,400
19	Sec. 104. BRANCHWIDE APPROPRIATIONS (SAFETY)	
20	Full-time equated exempted positions	4.0
21	Branchwide appropriations--4.0 FTE positions	\$ <u>8,200,000</u>
22	GROSS APPROPRIATION	\$ 8,200,000
23	Appropriated from:	
24	State general fund/general purpose	\$ 8,200,000
25	Sec. 105. JUSTICES' AND JUDGES' COMPENSATION	
26	(SAFETY)	
27	Full-time judges positions	613.0

1	Supreme court justices' salaries--7.0 judges	\$	1,152,300
2	Court of appeals judges' salaries--28.0 judges		4,240,300
3	District court judges' state base salaries--258.0		
4	judges		23,877,200
5	District court judicial salary standardization		11,796,800
6	Probate court judges' state base salaries--103.0		
7	judges		9,498,100
8	Probate court judicial salary standardization		4,599,700
9	Circuit court judges' state base salaries--217.0		
10	judges		20,440,400
11	Circuit court judicial salary standardization		9,922,100
12	Judges' retirement system defined contributions		3,065,200
13	OASI, social security		<u>4,948,700</u>
14	GROSS APPROPRIATION	\$	93,540,800
15	Appropriated from:		
16	Special revenue funds:		
17	Court fee fund		7,090,200
18	State general fund/general purpose	\$	86,450,600
19	Sec. 106. JUDICIAL AGENCIES (SAFETY)		
20	Full-time equated exempted positions	8.0	
21	Judicial tenure commission--8.0 FTE positions	\$	<u>1,023,500</u>
22	GROSS APPROPRIATION	\$	1,023,500
23	Appropriated from:		
24	State general fund/general purpose	\$	1,023,500
25	Sec. 107. INDIGENT DEFENSE - CRIMINAL (SAFETY)		
26	Full-time equated exempted positions	50.0	
27	Appellate public defender program--42.0 FTE positions	\$	5,495,000

1	Appellate assigned counsel administration--8.0 FTE		
2	positions		<u>952,700</u>
3	GROSS APPROPRIATION.....	\$	6,447,700
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDG from state police - Michigan justice training fund		423,500
7	Special revenue funds:		
8	Private - interest on lawyers trust accounts		70,000
9	Miscellaneous revenue		113,100
10	State general fund/general purpose	\$	5,841,100
11	Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE (SAFETY)		
12	Indigent civil legal assistance	\$	<u>7,937,000</u>
13	GROSS APPROPRIATION.....	\$	7,937,000
14	Appropriated from:		
15	Special revenue funds:		
16	State court fund.....		7,937,000
17	State general fund/general purpose	\$	0
18	Sec. 109. TRIAL COURT OPERATIONS (SAFETY)		
19	Court equity fund reimbursements	\$	69,075,900
20	Judicial technology improvement		<u>4,465,000</u>
21	GROSS APPROPRIATION.....	\$	73,540,900
22	Appropriated from:		
23	Special revenue funds:		
24	Court equity fund.....		50,440,000
25	Judicial technology improvement fund		4,465,000
26	State general fund/general purpose	\$	18,635,900
27	Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL		

1 **GOVERNMENT (SAFETY)**

2	Drug case-flow program.....	\$	250,000
3	Drunk driving case-flow program.....		2,300,000
4	Juror compensation reimbursement.....		<u>6,600,000</u>
5	GROSS APPROPRIATION.....	\$	9,150,000
6	Appropriated from:		
7	Special revenue funds:		
8	Drug fund.....		250,000
9	Drunk driving fund.....		2,300,000
10	Juror compensation fund.....		6,600,000
11	State general fund/general purpose.....	\$	0

12 **PART 2**13 **PROVISIONS CONCERNING APPROPRIATIONS**14 **GENERAL SECTIONS**

15 Sec. 201. Pursuant to section 30 of article IX of the state
 16 constitution of 1963, total state spending from state resources
 17 under part 1 for fiscal year 2006-2007 is \$248,203,800.00 and state
 18 spending from state resources to be paid to local units of
 19 government for fiscal year 2006-2007 is estimated at
 20 \$124,281,700.00. The itemized statement below identifies
 21 appropriations from which spending to local units of government
 22 will occur:

23 **JUDICIARY**24 **SUPREME COURT**

25	State court administrative office.....	\$	511,900
----	--	----	---------

1	Drug treatment courts.....		4,429,000
2	TRIAL COURT OPERATIONS		
3	Court equity fund reimbursements.....	\$	69,075,900
4	Judicial technology improvement fund.....		4,465,000
5	JUSTICES' AND JUDGES' COMPENSATION		
6	District court judicial salary standardization.....	\$	11,796,800
7	Probate court judges' state base salaries.....		9,498,100
8	Probate court judicial salary standardization.....		4,599,700
9	Circuit court judicial salary standardization.....		9,922,100
10	Grant to OASI contribution fund, employers share,		
11	social security.....		833,200
12	GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT		
13	Drunk driving case-flow program.....	\$	2,300,000
14	Drug case-flow program.....		250,000
15	Juror compensation reimbursement.....		<u>6,600,000</u>
16	TOTAL.....	\$	124,281,700

17 Sec. 202. (1) The appropriations authorized under this article
18 are subject to the management and budget act, 1984 PA 431, MCL
19 18.1101 to 18.1594.

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

1 the supreme court.

2 Sec. 203. As used in this article:

3 (a) "DOJ" means the United States department of justice.

4 (b) "DOT" means the United States department of
5 transportation.

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

7 (d) "HHS" means the United States department of health and
8 human services.

9 (e) "IDG" means interdepartmental grant.

10 (f) "OASI" means old age survivor's insurance.

11 Sec. 204. The judicial branch shall not take disciplinary
12 action against an employee for communicating with a member of the
13 legislature or his or her staff.

14 Sec. 208. The reporting requirements of this article shall be
15 completed with the approval of, and at the direction of, the
16 supreme court. Unless otherwise specified, the judicial branch
17 shall use the Internet to fulfill the reporting requirements of
18 this article. This may include transmission of reports via
19 electronic mail to the recipients identified for each reporting
20 requirement or it may include placement of reports on an Internet
21 or Intranet site.

22 Sec. 212. As a condition of expending appropriations made
23 under part 1, the judicial branch shall receive and retain copies
24 of all reports funded from appropriations in part 1 and shall
25 follow federal and state guidelines for short-term and long-term
26 retention of such reports and records.

27 Sec. 214. Funds appropriated in part 1 shall not be used for

1 the purchase of foreign goods or services, or both, if
2 competitively priced and comparable quality American goods or
3 services, or both, are available. Preference should be given to
4 goods or services, or both, manufactured or provided by Michigan
5 businesses if they are competitively priced and of comparable
6 quality.

7 Sec. 215. (1) Due to the current budgetary problems in this
8 state, out-of-state travel for the fiscal year ending September 30,
9 2007 shall be limited to situations in which 1 or more of the
10 following conditions apply:

11 (a) The travel is required by legal mandate or court order or
12 for law enforcement purposes.

13 (b) The travel is necessary to protect the health or safety of
14 Michigan citizens or visitors or to assist other states in similar
15 circumstances.

16 (c) The travel is necessary to produce budgetary savings or to
17 increase state revenues, including protecting existing federal
18 funds or securing additional federal funds.

19 (d) The travel is necessary to comply with federal
20 requirements.

21 (e) The travel is necessary to secure specialized training for
22 staff that is not available within this state.

23 (f) The travel is financed entirely by federal or nonstate
24 funds.

25 (2) If out-of-state travel is necessary but does not meet 1 or
26 more of the conditions in subsection (1), the chief justice or his
27 or her designee may grant an exception to allow the travel. Any

1 exceptions granted by the chief justice or his or her designee
2 shall be reported on a monthly basis to the house and senate
3 appropriations committees.

4 (3) Not later than January 1 of each year, the state court
5 administrative office shall prepare a travel report listing all
6 travel by judicial branch employees outside this state in the
7 immediately preceding fiscal year that was funded in whole or in
8 part with funds appropriated in the budget for the judicial branch.
9 The report shall be submitted to the chairs and members of the
10 house and senate appropriations committees, the fiscal agencies,
11 and the state budget director. The report shall include the
12 following information:

13 (a) The name of each person receiving reimbursement for travel
14 outside this state or whose travel costs were paid by this state.

15 (b) The destination of each travel occurrence.

16 (c) The dates of each travel occurrence.

17 (d) A brief statement of the reason for each travel
18 occurrence.

19 (e) The transportation and related costs of each travel
20 occurrence, including the proportion funded with state general
21 fund/general purpose revenues, the proportion funded with state
22 restricted revenues, the proportion funded with federal revenues,
23 and the proportion funded with other revenues.

24 (f) A total of all out-of-state travel funded for the
25 immediately preceding fiscal year.

26 **JUDICIAL BRANCH**

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

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

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

21 Sec. 303. Of the amount appropriated in part 1 for the
22 judicial branch, \$325,000.00 is allocated for circuit court
23 reimbursement under section 3 of 1978 PA 16, MCL 800.453, and
24 \$186,900.00 is allocated for court of claims reimbursement under
25 section 6413 of the revised judicature act of 1961, 1961 PA 236,
26 MCL 600.6413.

27 Sec. 304. As a condition of expending appropriations made

1 under part 1, the judicial branch shall cooperate with the auditor
2 general regarding audits of the judicial branch conducted under
3 section 53 of article IV of the state constitution of 1963.

4 Sec. 305. As a condition of expending appropriations made
5 under part 1, and to avoid the overexpenditure of funds
6 appropriated under this article, the supreme court shall report
7 quarterly to members of the senate and house appropriations
8 subcommittees on the judiciary, the senate and house fiscal
9 agencies, and the state budget director on the status of accounts
10 set forth in part 1. The report required by this section shall
11 include quarterly, year-to-date, and projected expenditures by
12 funding source for each line item, and beginning balances and
13 quarterly, year-to-date, and projected revenues for each source of
14 revenue other than general fund/general purpose revenues.

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

18 Sec. 307. (1) It is the intent of the legislature that from
19 the funds appropriated in part 1 for court of appeals operations,
20 the judiciary shall use the following revenue amounts for the
21 purpose of delay reduction:

22 (a) \$225,000.00 of additional filing fee revenue raised from
23 the increase from \$250.00 to \$375.00 in court of appeals filing
24 fees under section 321(1)(a) of the revised judicature act of 1961,
25 1961 PA 236, MCL 600.321.

26 (b) \$87,500.00 of additional fee revenue raised from the
27 increase in court of appeals motion fees from \$75.00 to \$100.00 and

1 from the increase from \$150.00 to \$200.00 in fees for motions for
2 immediate consideration or expedited appeal under section 321(1) (b)
3 and (c) of the revised judicature act of 1961, 1961 PA 236, MCL
4 600.321.

5 (2) It is the intent of the legislature that from the funds
6 appropriated in part 1 for court of appeals operations, the
7 judiciary shall use \$250,000.00 in general fund/general purpose
8 appropriations for the purpose of contracting for services to
9 further ongoing efforts toward reducing the amount of time taken to
10 process and dispose of appeals.

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

17 Sec. 309. From the funds appropriated in part 1 for the
18 appellate public defender program, \$591,500.00 is appropriated for
19 the purpose of contracting for services to assist the state
20 appellate defender office in disposing of workload increases
21 attributable to the decision rendered by the United States supreme
22 court in Halbert v Michigan, 125 S. Ct. 2582.

23 Sec. 310. From the funds appropriated in part 1 for drug
24 treatment court programs, under the direction of the supreme court,
25 the state court administrative office shall contract with 1 or more
26 independent third parties for evaluation and monitoring of drug
27 court programs funded by the judiciary. The evaluation shall

1 include measures of the impact of drug court programs in changing
2 offender criminal involvement (recidivism) and substance abuse and
3 in reducing prison admissions. The evaluation of a program funded
4 with federal Byrne funds shall be consistent with any requirements
5 contained in the federal Byrne grant for that program. Evaluations
6 required by this section shall to the extent feasible compare
7 offenders treated under the programs with other offenders of
8 similar characteristics. Not later than April 1, 2007, the state
9 court administrative office shall provide a progress report
10 regarding the status and findings of the evaluation to the senate
11 and house appropriations subcommittees on the judiciary, the senate
12 and house fiscal agencies, and the state budget director.

13 Sec. 311. (1) The funds appropriated in part 1 for drug
14 treatment courts shall be administered by the state court
15 administrative office to operate drug treatment court programs. A
16 drug treatment court program shall not receive funds for more than
17 5 years. A drug treatment court shall be responsible for handling
18 cases involving substance abusing nonviolent offenders through
19 comprehensive supervision, testing, treatment services, and
20 immediate sanctions and incentives. A drug treatment court shall
21 use all available county and state personnel involved in the
22 disposition of cases including, but not limited to, parole and
23 probation agents, prosecuting attorneys, defense attorneys, and
24 community corrections providers. The funds may be used in
25 connection with other federal, state, and local funding sources.

26 (2) Local units of government are encouraged to refer to
27 federal drug treatment court guidelines to prepare proposals.

House Bill No. 5796 (H-2) as amended May 24, 2006 (1 of 2)

1 However, federal agency approvals are not required for funding
2 under this section.

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

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

10 (5) The judiciary shall receive \$1,800,000.00 in Byrne formula
11 grant funding as an interdepartmental grant from the department of
12 community health to be used for expansion of drug treatment courts,
13 to assist in avoiding prison bed space growth for nonviolent
14 offenders in collaboration with the department of corrections.

15 Sec. 312. From the funds appropriated in part 1, the state
16 court administrator shall produce a statistical report regarding
17 the implementation of the parental rights restoration act, 1990 PA
18 211, MCL 722.901 to 722.908, as it pertains to minors seeking a
19 court-issued waiver of parental consent. The state court
20 administrative office shall report the total number of petitions
21 filed and the total number of petitions granted in accordance with
22 section 208.

[Sec. 313. It is the intent of the legislature that from the funds appropriated in part 1 for the training institute, training shall be provided to judges on judicial responsibilities under Michigan rules of evidence pertaining to expert witnesses. Training shall include, but not be limited to, instruction on the responsibility of the courts to guard against and exclude unreliable expert testimony and in regard to all of the following:

- (a) Whether expert witness testimony is needed.
- (b) Whether an individual proposed as an expert witness meets Michigan standards on qualification as an expert witness.
- (c) Whether the manner in which an expert witness extrapolates and interprets data is science-based with sufficient facts to support the data.

House Bill No. 5796 (H-2) as amended May 24, 2006 (2 of 2)

(d) Whether a proposed expert's testimony correctly applies well-established principles and methods to the facts of the case.

(e) Whether the alleged facts or data upon which an expert witness's opinion is based are likely to be allowed as evidence in the case.]

23

ARTICLE 12

24

LABOR AND ECONOMIC GROWTH

25

PART 1

26

LINE-ITEM APPROPRIATIONS

House Bill No. 5796 (H-2) as amended May 24, 2006

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth, subject to the conditions set forth in this article, for the fiscal year ending September 30, 2007, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 58.5

Full-time equated classified positions..... [4,207.5]

GROSS APPROPRIATION..... \$ [1,216,915,000]

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 11,207,000

ADJUSTED GROSS APPROPRIATION..... \$ [1,205,708,000]

Federal revenues:

Total federal revenues..... 795,345,800

Special revenue funds:

Total local revenues..... 15,824,300

Total private revenues..... 2,314,300

Total other state restricted revenues..... [344,006,800]

State general fund/general purpose..... \$ 48,216,800

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION (THRIVING
ECONOMY)**

Full-time equated unclassified positions..... 58.5

Full-time equated classified positions..... 180.0

Unclassified salaries..... \$ 5,349,400

1	Executive director programs--53.0 FTE positions	6,190,600
2	Regulatory efficiency improvements/backlog reduction	
3	initiative	665,600
4	Property management.....	11,071,100
5	Rent.....	17,215,600
6	Worker's compensation.....	2,396,000
7	Special project advances.....	940,000
8	HR optimization charges.....	252,800
9	Administrative services--127.0 FTE positions	<u>12,952,200</u>
10	GROSS APPROPRIATION.....	\$ 57,033,300
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from department of community health.....	300,000
14	Federal revenues:	
15	DED-OSERS, rehabilitation services, vocational	
16	rehabilitation	4,904,500
17	DOE-OEERE, multiple grants.....	9,100
18	DOL-ETA, unemployment insurance.....	14,434,400
19	DOL-ETA, workforce investment act.....	861,500
20	DOL, federal funds.....	2,330,100
21	DOL, multiple grants for safety and health.....	733,900
22	Federal revenues.....	850,300
23	HHS, titles XVIII and XIX.....	34,700
24	HHS, temporary assistance for needy families.....	347,000
25	Special revenue funds:	
26	Local revenues.....	134,100
27	Private revenues - special project advances.....	940,000

1	Bank fees.....	527,500
2	Boiler fees.....	244,000
3	Construction code fund.....	1,509,800
4	Consumer finance fees.....	180,900
5	Contingent fund, penalty and interest account.....	885,300
6	Contingent fund, regular penalty and interest.....	3,900
7	Corporation fees.....	5,224,100
8	Credit union fees.....	358,000
9	Elevator fees.....	268,600
10	Fees and collections/asbestos.....	78,400
11	Fire service fees.....	230,300
12	Insurance licensing and regulation fees.....	2,031,100
13	Insurance regulatory fees.....	1,071,800
14	Licensing and regulation fees.....	790,400
15	Liquor license revenue.....	100,000
16	Liquor purchase revolving fund.....	6,219,400
17	Manufactured housing commission fees.....	279,700
18	Michigan state housing development authority fees....	3,644,700
19	Motor carrier fees.....	185,200
20	Private occupational school license fees.....	14,000
21	Public utility assessments.....	2,223,200
22	Rehabilitation services fees.....	90,300
23	Safety education and training fund.....	560,300
24	Second injury fund.....	253,500
25	Securities fees.....	2,414,400
26	Self-insurers security fund.....	83,300
27	Silicosis and dust disease fund.....	101,300

1	Tax tribunal fees.....		199,200
2	State general fund/general purpose.....	\$	1,381,100
3	Sec. 103. OFFICE OF FINANCIAL AND INSURANCE		
4	SERVICES (THRIVING ECONOMY)		
5	Full-time equated classified positions.....	284.0	
6	Administration--9.0 FTE positions.....	\$	2,730,100
7	Financial evaluation--152.0 FTE positions.....		21,991,600
8	Policy conduct and consumer assistance--123.0 FTE		
9	positions		<u>15,579,200</u>
10	GROSS APPROPRIATION.....	\$	40,300,900
11	Appropriated from:		
12	Federal revenues:		
13	Federal regulatory project revenue.....		50,400
14	Special revenue funds:		
15	Bank fees.....		7,704,500
16	Consumer finance fees.....		4,215,600
17	Credit union fees.....		5,066,400
18	Insurance continuing education fees.....		829,600
19	Insurance licensing and regulation fees.....		3,289,600
20	Insurance regulatory fees.....		16,136,600
21	Multiple employer welfare arrangement.....		67,500
22	Deferred presentment service transaction fees.....		725,700
23	Securities fees.....		2,215,000
24	State general fund/general purpose.....	\$	0
25	Sec. 104. PUBLIC SERVICE COMMISSION (THRIVING		
26	ECONOMY)		
27	Full-time equated classified positions.....	166.0	

1	Administration, planning and regulation--155.0 FTE		
2	positions	\$	20,128,800
3	Energy office--9.0 FTE positions		5,307,300
4	Children's protection registry administration--2.0 FTE		
5	positions		<u>264,700</u>
6	GROSS APPROPRIATION	\$	25,700,800
7	Appropriated from:		
8	Federal revenues:		
9	DOE-OEERE, multiple grants		4,828,100
10	DOT-RSPA, gas pipeline safety		984,900
11	Special revenue funds:		
12	Private - oil overcharge		30,000
13	Motor carrier fees		2,144,600
14	Public utility assessments		17,448,500
15	Children's protection registry fund		264,700
16	State general fund/general purpose	\$	0
17	Sec. 105. LIQUOR CONTROL COMMISSION (THRIVING		
18	ECONOMY)		
19	Full-time equated classified positions..... 152.0		
20	Management support services--28.0 FTE positions	\$	3,211,100
21	Liquor licensing and enforcement--124.0 FTE positions		<u>11,756,900</u>
22	GROSS APPROPRIATION	\$	14,968,000
23	Appropriated from:		
24	Special revenue funds:		
25	Liquor license revenue		6,143,500
26	Liquor purchase revolving fund		8,824,500
27	State general fund/general purpose	\$	0

Sec. 106. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY

(THRIVING ECONOMY)

Full-time equated classified positions..... 2.0

Administration--2.0 FTE positions..... \$ 501,800

GROSS APPROPRIATION..... \$ 501,800

Appropriated from:

Special revenue funds:

Michigan broadband development authority fees and

charges 501,800

State general fund/general purpose..... \$ 0

Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT

AUTHORITY (VULNERABLE)

Full-time equated classified positions..... 266.0

Payments on behalf of tenants..... \$ 135,000,000

Housing and rental assistance program--266.0 FTE

positions 33,984,400

GROSS APPROPRIATION..... \$ 168,984,400

Appropriated from:

Federal revenues:

HUD, lower income housing assistance program..... 135,000,000

Special revenue funds:

Michigan state housing development authority fees and

charges 33,984,400

State general fund/general purpose..... \$ 0

Sec. 108. TAX TRIBUNAL (EFFECTIVE GOVERNMENT)

Full-time equated classified positions..... 15.0

Operations--15.0 FTE positions..... \$ 1,804,000

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1	GROSS APPROPRIATION.....	\$	1,804,000
2	Appropriated from:		
3	Special revenue funds:		
4	Securities fees.....		265,100
5	Tax tribunal fees.....		1,343,800
6	Corporation fees.....		195,100
7	State general fund/general purpose.....	\$	0
8	Sec. 109. OCCUPATIONAL REGULATION (THRIVING		
9	ECONOMY)		
10	Full-time equated classified positions.....	420.0	
11	Code enforcement--120.0 FTE positions.....	\$	12,650,300
12	Boiler inspection program--25.0 FTE positions.....		2,679,700
13	[Fire fighting training council.....		1,710,400
	Fire marshal program.....		432,600
	Fire safety program funding--57.0 FTE positions.....		4,190,100]
14	Elevator inspection program--30.0 FTE positions.....		2,842,300
15	Commercial services--155.0 FTE positions.....		[20,119,200]
16	Local manufactured housing communities inspections...		250,000
17	Manufactured housing and land resources program--22.0		
18	FTE positions		2,935,700
19	Property development group--11.0 FTE positions.....		<u>1,528,600</u>
20	GROSS APPROPRIATION.....	\$	[49,338,900]
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG from department of community health, inspection		
24	contract		68,500
25	IDG from department of state police, homeland security		754,300
26	Federal revenues:		
27	FEMA.....		28,000

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1	DOT.....	47,000
2	HHS, titles XVIII and XIX.....	700,000
3	Special revenue funds:	
4	Boiler fee revenue.....	3,069,600
5	Construction code fund.....	12,567,400
6	Corporation fees.....	10,285,700
7	Elevator fees.....	3,205,300
8	Fire alarm fees.....	95,000
9	Fire service fees.....	1,640,300
10	Homeowner construction lien recovery fund.....	1,532,800
11	Licensing and regulation fees.....	9,486,100
12	Manufactured housing commission fees.....	2,515,700
13	Michigan boxing fund.....	206,200
14	Property development fees.....	275,500
15	Remonumentation fees.....	691,100
16	Real estate appraiser continuing education fund.....	45,000
17	Real estate education fund.....	[317,500]
18	Security fees.....	1,499,900
19	Security business fund.....	308,000
20	State general fund/general purpose.....	\$ 0
21	Sec. 110. EMPLOYMENT RELATIONS (THRIVING ECONOMY)	
22	Full-time equated classified positions..... 21.0	
23	Employment and labor relations--21.0 FTE positions...	\$ <u>3,121,200</u>
24	GROSS APPROPRIATION.....	\$ 3,121,200
25	Appropriated from:	
26	Federal revenues:	
27	EEOC, federal funds.....	10,000

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1	Special revenue funds:		
2	Securities fees.....		3,056,700
3	State general fund/general purpose.....	\$	54,500
4	Sec. 111. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH		
5	ADMINISTRATION (THRIVING ECONOMY)		
6	Full-time equated classified positions.....	229.0	
7	Occupational safety and health--229.0 FTE positions ..	\$	<u>25,846,300</u>
8	GROSS APPROPRIATION.....	\$	25,846,300
9	Appropriated from:		
10	Federal revenues:		
11	DOL, multiple grants for safety and health.....		12,281,800
12	Special revenue funds:		
13	Corporation fees.....		2,202,000
14	Fees and collections/asbestos.....		833,900
15	Licensing and regulation fees.....		1,174,800
16	Safety education and training fund.....		7,581,500
17	Securities fees.....		1,772,300
18	State general fund/general purpose.....	\$	0
19	Sec. 112. BUREAU OF WORKER'S AND UNEMPLOYMENT		
20	COMPENSATION (THRIVING ECONOMY)		
21	Full-time equated classified positions.....	[1,251.0]	
22	Administration--96.6 FTE positions.....	\$	9,584,200
23	Board of magistrates and appellate commission--19.4		
24	FTE positions		2,887,900
25	Wage and hour division-- [35.0] FTE positions.....		[2,670,600]
26	Insurance funds administration--28.0 FTE positions...		4,485,400
27	Supplemental benefit fund.....		1,300,000

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1	Unemployment programs--1,002.7 FTE positions	87,519,600
2	Advocacy assistance program.....	1,500,000
3	Expanded fraud control program--33.2 FTE positions ...	3,081,900
4	Special audit and collections program--34.0 FTE	
5	positions	2,772,100
6	Training program for agency staff--2.1 FTE positions .	<u>1,799,500</u>
7	GROSS APPROPRIATION.....	\$ [117,601,200]
8	Appropriated from:	
9	Federal revenues:	
10	DOL-ETA, employment and training administration	646,200
11	DOL-ETA, unemployment insurance	90,164,200
12	Federal Reed act funds	4,362,700
13	Special revenue funds:	
14	Corporation fees	2,472,100
15	Contingent fund, penalty and interest account	[9,946,500]
16	Licensing and regulation fees	789,700
17	Second injury fund	2,414,800
18	Securities fees	2,472,600
19	Self-insurers security fund	1,141,600
20	Silicosis and dust disease fund	929,000
21	Worker's compensation administrative revolving fund ..	2,261,800
22	State general fund/general purpose	\$ 0
23	Sec. 113. INFORMATION TECHNOLOGY (THRIVING ECONOMY)	
24	Information technology services and projects	\$ <u>43,188,500</u>
25	GROSS APPROPRIATION	\$ 43,188,500
26	Appropriated from:	
27	Federal revenues:	

1	DOL-ETA, unemployment insurance.....	20,754,300
2	DOL, multiple grants for safety and health.....	268,400
3	Federal revenues.....	5,852,700
4	HHS, temporary assistance for needy families.....	176,300
5	Special revenue funds:	
6	Bank fees.....	477,300
7	Boiler fee revenue.....	321,000
8	Construction code fund.....	1,435,900
9	Consumer finance fees.....	194,200
10	Corporation fees.....	1,760,900
11	Credit union fees.....	269,300
12	Elevator fees.....	254,400
13	Fees and collections/asbestos.....	11,000
14	Insurance regulatory fees.....	697,200
15	Licensing and regulation fees.....	1,143,900
16	Liquor purchase revolving fund.....	4,414,700
17	Manufactured housing commission fees.....	72,400
18	Michigan state housing development authority fees and	
19	charges	1,997,000
20	Motor carrier fees.....	115,900
21	Public utility assessments.....	873,100
22	Safety education and training fund.....	345,600
23	Second injury fund.....	146,500
24	Securities fees.....	1,478,900
25	Self-insurers security fund.....	68,300
26	Silicosis and dust disease fund.....	59,300
27	State general fund/general purpose.....	\$ 0

1	Sec. 114. WORKFORCE DEVELOPMENT (PREPARED FOR JOBS)		
2	Full-time equated classified positions.....	875.5	
3	Employment services--246.0 FTE positions.....		\$ 47,821,400
4	Labor market information--52.0 FTE positions.....		6,184,800
5	Michigan rehabilitation services--513.5 FTE positions		68,875,900
6	Workforce programs administration--61.0 FTE positions		<u>30,796,200</u>
7	GROSS APPROPRIATION.....		\$ 153,678,300
8	Appropriated from:		
9	Federal revenues:		
10	DAG, employment and training.....		178,700
11	DED-OPSE, multiple grants.....		1,185,700
12	DED-OSERS, centers for independent living.....		58,200
13	DED-OSERS, rehabilitation long-term training.....		316,900
14	DED-OSERS, rehabilitation services, vocational		
15	rehabilitation of state grants.....		51,774,100
16	DED-OSERS, state grants for technical related		
17	assistance		56,000
18	DOL-ETA, workforce investment act.....		7,334,100
19	DED, Perkins act.....		281,300
20	DOL, federal funds.....		65,513,300
21	DOL-ODEP.....		225,000
22	HHS, temporary assistance for needy families.....		3,320,200
23	HHS-SSA, supplemental security income.....		3,633,000
24	Special revenue funds:		
25	Local revenue.....		4,206,400
26	Local vocational rehabilitation match.....		3,054,000
27	Private - gifts, bequests, and donations.....		816,000

1	Contingent fund, penalty and interest account	1,781,800
2	Rehabilitation services fees	1,309,700
3	Second injury fund	51,500
4	Student fees	308,000
5	Training materials fees	256,400
6	State general fund/general purpose	\$ 8,018,000
7	Sec. 115. STATE OFFICE OF ADMINISTRATIVE HEARINGS	
8	AND RULES (THRIVING ECONOMY)	
9	Full-time equated classified positions	163.0
10	Administrative hearings and rules--163.0 FTE positions	\$ <u>21,019,600</u>
11	GROSS APPROPRIATION	\$ 21,019,600
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from department of community health	1,641,200
15	IDG from department of corrections	3,660,400
16	IDG from department of education	1,025,000
17	IDG from department of environmental quality	502,800
18	IDG from department of human services	3,214,300
19	IDG from department of management and budget	40,500
20	Federal revenues:	
21	DOL-ETA, unemployment insurance	6,101,600
22	DOL, multiple grants for safety and health	195,000
23	Special revenue funds:	
24	Construction code fund	282,100
25	Corporation fees	351,900
26	Insurance regulatory fees	333,900
27	Licensing and regulation fees	1,074,000

1	Liquor purchase revolving fund.....		115,200
2	Manufactured housing commission fees.....		137,900
3	Public utility assessments.....		1,225,900
4	Safety education and training fund.....		188,700
5	Securities fees.....		855,600
6	Tax tribunal fees.....		73,600
7	State general fund/general purpose.....	\$	0
8	Sec. 116. CAREER EDUCATION PROGRAMS (PREPARED FOR		
9	JOBS)		
10	Full-time equated classified positions.....	55.0	
11	Career and technical education--25.0 FTE positions...	\$	3,502,700
12	Postsecondary education--14.0 FTE positions.....		2,626,900
13	Adult education--16.0 FTE positions.....		<u>2,439,100</u>
14	GROSS APPROPRIATION.....	\$	8,568,700
15	Appropriated from:		
16	Federal revenues:		
17	Federal revenues.....		6,544,300
18	Special revenue funds:		
19	Private occupational school license fees.....		422,100
20	Defaulted loan collection fees.....		100,000
21	State general fund/general purpose.....	\$	1,502,300
22	Sec. 117. DEPARTMENT GRANTS (PREPARED FOR JOBS,		
23	VULNERABLE, KIDS SUCCEEDING, THRIVING ECONOMY)		
24	Adult basic education.....	\$	20,000,000
25	Carl D. Perkins grants.....		47,500,000
26	Focus: HOPE.....		5,860,200
27	Gear-up program grants.....		3,000,000

1	Workforce training programs subgrantees	118,952,700
2	Personal assistance services	459,500
3	Precollege programs in engineering and the sciences ..	680,100
4	Vocational rehabilitation client services/facilities .	55,549,500
5	Vocational rehabilitation independent living	3,079,700
6	Welfare-to-work programs	113,798,600
7	Fire protection grants	10,910,500
8	Low-income energy efficiency assistance	60,000,000
9	Liquor law enforcement grants	6,000,000
10	Remonumentation grants	<u>14,000,000</u>
11	GROSS APPROPRIATION	\$ 459,790,800
12	Appropriated from:	
13	Federal revenues:	
14	DAG, employment and training	13,000,000
15	DED-OESE, gear-up	3,000,000
16	DED-OSERS, centers for independent living	450,200
17	DED-OSERS, rehabilitation services, vocational	
18	rehabilitation of state grants	35,797,900
19	DED-OSERS, rehabilitation services facilities	2,272,500
20	DED-OSERS, supported employment	1,541,300
21	DED-OSERS, state grants for technical related	
22	assistance	2,240,800
23	DED-OVAE, adult education	20,000,000
24	DED-OVAE, basic grants to states	47,500,000
25	DOL-ETA, workforce investment act	119,602,700
26	HHS-SSA, supplemental security income	3,480,600
27	HHS, temporary assistance for needy families	82,299,000

1	Special revenue funds:		
2	Local vocational rehabilitation facilities match.....		1,278,300
3	Local vocational rehabilitation match.....		6,630,500
4	Private - gifts, bequests, and donations.....		400,000
5	Contingent fund, penalty and interest account.....		1,000,000
6	Low-income energy efficiency fund.....		60,000,000
7	Fire protection fund.....		3,500,000
8	Liquor purchase revolving fund.....		3,710,500
9	Liquor license revenue.....		6,000,000
10	Remonumentation grants.....		14,000,000
11	State general fund/general purpose.....	\$	32,086,500
12	Sec. 118. BOARDS, AUTHORITIES, AND COMMISSIONS		
13	(PREPARED FOR JOBS, VULNERABLE, THRIVING ECONOMY)		
14	Full-time equated classified positions.....	131.0	
15	MES board of review program--18.0 FTE positions.....	\$	2,134,200
16	Rights-of-way oversight authority--5.0 FTE positions.		539,400
17	Land bank fast track authority--5.0 FTE positions....		812,100
18	Commission on Spanish-speaking affairs--2.0 FTE		
19	positions		242,900
20	Commission on disability concerns--7.0 FTE positions.		1,041,900
21	Commission for the blind--94.0 FTE positions.....		19,406,000
22	Utility consumer representation.....		950,000
23	Youth low-vision program.....		241,800
24	Grant to newslines for the blind.....		<u>100,000</u>
25	GROSS APPROPRIATION.....	\$	25,468,300
26	Appropriated from:		
27	Federal revenues:		

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1	Federal revenue.....	14,648,700
2	DOL-ETA, unemployment insurance.....	2,134,200
3	Special revenue funds:	
4	Private revenues.....	128,300
5	Local revenues.....	521,000
6	Land bank fast track funds.....	812,100
7	METRO authority fund.....	539,400
8	State restricted revenues.....	560,200
9	Utility consumer representation fund.....	950,000
10	State general fund/general purpose..... \$	5,174,400

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 2006-2007 is [\$392,223,600.00] and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$51,370,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

22	Fire protection grants.....	\$ 10,910,500
23	Liquor law enforcement.....	6,000,000
24	Local manufactured housing inspections.....	250,000
25	Remonumentation grants.....	14,000,000

1	Fire fighters training council.....	1,710,400
2	Welfare to work.....	<u>18,499,600</u>
3	Total department of labor and economic	
4	growth.....	\$ 51,370,500

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

8 Sec. 203. As used in this appropriation article:

9 (a) "DAG" means the United States department of agriculture.

10 (b) "DED" means the United States department of education.

11 (c) "DED-OESE" means the DED office of elementary and
12 secondary education.

13 (d) "DED-OPSE" means the DED office of postsecondary
14 education.

15 (e) "DED-OSERS" means the DED office of special education
16 rehabilitation services.

17 (f) "DED-OVAE" means the DED office of vocational and adult
18 education.

19 (g) "Department" means the department of labor and economic
20 growth.

21 (h) "Director" means the director of the department of labor
22 and economic growth.

23 (i) "DOE" means the United States department of energy.

24 (j) "DOE-OEERE" means the DOE office of energy efficiency and
25 renewable energy.

26 (k) "DOL" means the United States department of labor.

27 (l) "DOL-ETA" means the DOL employment and training

1 administration.

2 (m) "DOL-ODEP" means the DOL office of disability employment
3 policy.

4 (n) "DOT" means the United States department of
5 transportation.

6 (o) "FEMA" means federal emergency management agency.

7 (p) "DOT-RSPA" means the DOT research and special programs
8 administration.

9 (q) "EEOC" means equal employment opportunity commission.

10 (r) "Fiscal agencies" means Michigan house fiscal agency and
11 Michigan senate fiscal agency.

12 (s) "FTE" means full-time equated.

13 (t) "GED" means general education degree.

14 (u) "HHS" means the United States department of health and
15 human services.

16 (v) "HHS-SSA" means HHS social security administration.

17 (w) "HUD" means the United States department of housing and
18 urban development.

19 (x) "IDG" means interdepartmental grant.

20 (y) "MES" means Michigan employment security.

21 (z) "MIOSHA" means Michigan occupational safety and health
22 administration.

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

26 Sec. 204. The department of civil service shall bill
27 departments and agencies at the end of the first fiscal quarter for

1 the 1% charge authorized by section 5 of article XI of the state
2 constitution of 1963. Payments shall be made for the total amount
3 of the billing by the end of the second fiscal quarter.

4 Sec. 205. (1) A hiring freeze is imposed on the state
5 classified civil service. State departments and agencies are
6 prohibited from hiring any new full-time state classified civil
7 service employees and prohibited from filling any vacant state
8 classified civil service positions. This hiring freeze does not
9 apply to internal transfers of classified employees from 1 position
10 to another within a department or state classified civil service
11 positions funded fully by federal funds.

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

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

1 fiscal agencies and to the subcommittees within 30 months.

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

8 Sec. 209. Funds appropriated in part 1 shall not be used for
9 the purchase of foreign goods or services, or both, if
10 competitively priced and of comparable quality American goods or
11 services, or both, are available. Preference should be given to
12 goods or services, or both, manufactured or provided by Michigan
13 businesses if they are competitively priced and of comparable
14 quality.

15 Sec. 210. The director shall take all reasonable steps to
16 ensure businesses in deprived and depressed communities compete for
17 and perform contracts to provide services or supplies, or both. The
18 director shall strongly encourage firms with which the department
19 contracts to subcontract with certified businesses in depressed and
20 deprived communities for services, supplies, or both.

21 Sec. 212. The department shall receive and retain copies of
22 all reports funded from appropriations in part 1. The department
23 shall follow federal and state guidelines for short-term and long-
24 term retention of these reports and records.

25 Sec. 213. From the funds appropriated in part 1 for
26 information technology, the departments and agencies shall pay user
27 fees to the department of information technology for technology-

1 related services and projects. Such user fees shall be subject to
2 provisions of an interagency agreement between the department and
3 the department of information technology.

4 Sec. 214. Amounts appropriated in part 1 for information
5 technology may be designated as work projects and carried forward
6 to support technology projects under the direction of the
7 department of information technology. Funds designated in this
8 manner are not available for expenditure until approved as work
9 projects under section 451a of the management and budget act, 1984
10 PA 431, MCL 18.1451a.

11 Sec. 216. It is the intent of the legislature that all revenue
12 sources for funds appropriated in part 1 shall not be aggregated
13 into general categories and shall be specifically identified and
14 detailed as much as possible.

15 Sec. 217. (1) Due to the current budgetary problems in this
16 state, out-of-state travel for the fiscal year ending September 30,
17 2007 shall be limited to situations in which 1 or more of the
18 following conditions apply:

19 (a) The travel is required by legal mandate or court order or
20 for law enforcement purposes.

21 (b) The travel is necessary to protect the health or safety of
22 Michigan citizens or visitors or to assist other states in similar
23 circumstances.

24 (c) The travel is necessary to produce budgetary savings or to
25 increase state revenues, including protecting existing federal
26 funds or securing additional federal funds.

27 (d) The travel is necessary to comply with federal

1 requirements.

2 (e) The travel is necessary to secure specialized training for
3 staff that is not available within this state.

4 (f) The travel is financed entirely by federal or nonstate
5 funds.

6 (2) If out-of-state travel is necessary but does not meet 1 or
7 more of the conditions in subsection (1), the state budget director
8 may grant an exception to allow the travel. Any exceptions granted
9 by the state budget director shall be reported on a monthly basis
10 to the house and senate appropriations committees.

11 (3) Not later than January 1 of each year, each department
12 shall prepare a travel report listing all travel by classified and
13 unclassified employees outside this state in the immediately
14 preceding fiscal year that was funded in whole or in part with
15 funds appropriated in the department's budget. The report shall be
16 submitted to the chairs and members of the house and senate
17 appropriations committees, the fiscal agencies, and the state
18 budget director. The report shall include the following
19 information:

20 (a) The name of each person receiving reimbursement for travel
21 outside this state or whose travel costs were paid by this state.

22 (b) The destination of each travel occurrence.

23 (c) The dates of each travel occurrence.

24 (d) A brief statement of the reason for each travel
25 occurrence.

26 (e) The transportation and related costs of each travel
27 occurrence, including the proportion funded with state general

1 fund/general purpose revenues, the proportion funded with state
2 restricted revenues, the proportion funded with federal revenues,
3 and the proportion funded with other revenues.

4 (f) A total of all out-of-state travel funded for the
5 immediately preceding fiscal year.

6 Sec. 219. The department shall not take disciplinary action
7 against an employee for communicating with a member of the
8 legislature or his or her staff.

9 **REGULATORY**

10 Sec. 301. The appropriation in part 1 for fire protection
11 grants from the liquor license revenue, the fire protection fund,
12 and the general fund shall be appropriated to cities, villages, and
13 townships with state-owned facilities for fire services, instead of
14 taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

15 Sec. 302. The funds collected by the office of financial and
16 insurance services in connection with a conservatorship pursuant to
17 section 32 of the mortgage brokers, lenders, and servicers
18 licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for
19 all expenses necessary to provide for the required services. Funds
20 are available for expenditure when they are received by the
21 department of treasury and shall not lapse to the general fund at
22 the end of the fiscal year.

23 Sec. 303. The funds collected by the department from
24 corporations being liquidated pursuant to the insurance code of
25 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated
26 for all expenses necessary to provide for the required services.

1 Funds are available for expenditure when they are received by the
2 department of treasury and shall not lapse to the general fund at
3 the end of the fiscal year.

4 Sec. 304. The department may make available to interested
5 entities otherwise unavailable customized listings of
6 nonconfidential information in its possession, such as names and
7 addresses of licensees, and charge for this information as follows:
8 base fee for 1 to 1,000 records at the cost to the department;
9 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more
10 records at .5 cents per record. The revenue received from this
11 service may be used to offset expenses of programs as appropriated
12 in part 1. The balance of this revenue collected and unexpended at
13 the end of the fiscal year shall revert to the appropriate
14 restricted revenue account or fund or, in absence of such an
15 account or fund, to the general fund. The department shall submit
16 an annual report on or before December 1 of each year to the state
17 budget office and the subcommittees that states the amount of
18 revenue received from the sale of information.

19 Sec. 306. The Michigan state housing development authority
20 shall annually present a report to the state budget office and the
21 subcommittees on the status of the authority's housing production
22 goals under all financing programs established or administered by
23 the authority. The report shall give special attention to efforts
24 to raise affordable multifamily housing production goals.

25 Sec. 308. The funds collected by the department for licenses,
26 permits, and other elevator regulation fees set forth in R 408.8151
27 of the Michigan administrative code and as determined under section

8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.

Sec. 309. If the revenue collected by the department for occupational safety and health from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 310. Money appropriated under this article for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

Operation and maintenance inspection fee

<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed

Plan review and construction inspection fees for
hospitals and schools

<u>Project cost range</u>	<u>Fee</u>
\$101,000.00 or less	minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00
\$10,000,001.00 or more	\$1.10 per \$1,000.00

1 or a maximum fee of \$60,000.00.

2 Sec. 313. If the revenue collected by the department from
3 licensing and regulation fees collected by the office of commercial
4 services exceeds the amount appropriated in part 1, the revenue may
5 be carried forward into the subsequent fiscal year. The revenue
6 carried forward under this section shall be used as the first
7 source of funds in the subsequent fiscal year.

8 Sec. 314. Funds earned or authorized by the United States
9 department of labor in excess of the gross appropriation in part 1
10 for the unemployment insurance agency and the employment service
11 agency from the United States department of labor are appropriated
12 and may be expended for staffing and related expenses incurred in
13 the operation of its programs. These funds may be spent after the
14 department notifies the state budget office and the subcommittees
15 of the purpose and amount of each grant award.

16 Sec. 315. The department shall sell documents at a price not
17 to exceed the cost of production and distribution. Money received
18 from the sale of these documents shall revert to the department.
19 The funds are available for expenditure when they are received by
20 the department of treasury and may only be used for costs directly
21 related to the continued updating and distribution of the documents
22 pursuant to this section. This section applies only for the
23 following documents:

24 (a) Corporation and securities division documents, reports,
25 and papers required or permitted by law pursuant to section 1060(5)
26 of the business corporation act, 1972 PA 284, MCL 450.2060.

27 (b) The subdivision control manual, the state boundary

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commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 317. The department, MIOSHA, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

[Sec. 318. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1, 2007 and September 1, 2007, the department shall provide a report to the fiscal agencies and appropriations subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

Sec. 319. (1) Of the funds appropriated in part 1, no funds shall be used to support the development and enforcement of, or activities that promote the development and enforcement of, guidelines, standards, protocols, or other similar mandates that place more onerous measures on professional employment organizations than currently prescribed by statute.

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(2) The department shall use the funds appropriated in part 1 to implement the current section 22b of the Michigan employment security act, 1939 (Ex Sess) PA 1, MCL 421.22b.

(3) As used in this section, a professional employer organization is defined as an organization that provides the management and administration of the human resources and employer risk of another entity by contractually assuming substantial employer rights, responsibilities, and risk through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

(a) Maintaining the right of direction and control of the employees' work, although this responsibility may be shared with the other entity.

(b) Paying wages and employment taxes of the employees out of its own accounts.

(c) Reporting, collecting, and depositing state and federal employment taxes for the employees.

(d) Retaining the right to hire and fire employees.]

20 Sec. 326. (1) The appropriation in part 1 for the Michigan
21 commission for the blind includes funds for case services. These
22 funds may be used for tuition payments for blind clients for the
23 school year beginning September 2006.

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

27 Sec. 332. It is the intent of the legislature that the

1 department make every effort to hold administrative law hearings on
2 actions initiated by the department against regulated businesses or
3 against individuals in regulated occupations in locations that are
4 within 150 miles of the regulated business or of the office of the
5 individual in a regulated occupation. In addition, it is the intent
6 of the legislature that the department make every effort to hold
7 administrative law hearings on actions initiated by an individual
8 outside the department in locations within 150 miles of the home of
9 the individual bringing the action if that individual wishes to
10 testify at the hearing.

11 Sec. 335. The public service commission shall report by June 1
12 of each year to the subcommittees, the state budget office, and the
13 fiscal agencies on the distribution of funds appropriated in part 1
14 for the low-income/energy efficiency assistance program.

15 Sec. 336. The department shall provide the subcommittees,
16 fiscal agencies, and state budget director with a report on or
17 before December 1 outlining actual expenditures for the last
18 completed fiscal year for each division within the office of
19 financial and insurance services.

20 Sec. 337. The department shall not expend funds from the
21 appropriations in part 1 for the office of financial and insurance
22 services for the purpose of implementing prohibitions on the use of
23 credit scoring in establishing insurance premiums by insurance
24 companies until the legislature has, by statute, authorized such a
25 prohibition.

26 Sec. 340. The office of financial and insurance services shall
27 provide copies of the quarterly and annual financial filings of

1 health maintenance organizations to the fiscal agencies on a timely
2 basis.

3 Sec. 349. The department and the Michigan state housing
4 development authority shall work collaboratively with other state
5 departments and agencies to maximize the use of available Michigan
6 state housing development authority fund equity to provide senior
7 assisted living that offers a continuum of care from independent
8 apartments to assisted living to nursing care and Alzheimer
9 programs.

10 Sec. 350. (1) The department shall allocate funds to promote
11 awareness of the right of a policyholder, subscriber, member,
12 enrollee, or other individual participating in a health benefit
13 plan, after the covered person has exhausted the health carrier's
14 internal grievance process provided for by law, to request an
15 external review for an adverse determination.

16 (2) As used in this section, "covered person" means that term
17 as defined in section 3 of the patient's right to independent
18 review act, 2000 PA 251, MCL 550.1903.

19 Sec. 351. (1) The department shall issue a report to the
20 subcommittees for each calendar year, but not later than February
21 15 of the following year, showing the date each real estate
22 continuing education course was submitted for approval and the date
23 of final disposition, approval, or denial.

24 (2) The department shall post on its website the approved real
25 estate continuing education courses, as well as the dates, times,
26 instructors, locations, course title, and credit hours of the
27 courses.

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1 (3) The department shall have available to the public on-line
2 the prelicensure and continuing education course approvals.

3 (4) It is the intent of the legislature that sponsors of
4 continuing education be able to report an applicant's or licensee's
5 completion of courses to the department via electronic methods.

6 Sec. 352. From the funds appropriated in part 1 for
7 unclassified salaries, the department shall provide funding for 5
8 worker's compensation appellate commissioners and 26 worker's
9 compensation board of magistrates. Expenditures shall be made so
10 that the 2 bodies shall decide worker's compensation cases in a
11 timely manner.

[Sec. 353. From the funds appropriated in part 1 for commercial
services, the department shall allocate \$100,000.00 for the resumption of
printing of the red book. The red book shall include, but is not limited
to, real estate laws and regulations and related statutes.]

12 Sec. 356. The Michigan commission for the blind shall work
13 collaboratively with service organizations to identify qualified
14 match dollars to maximize use of available federal funds.

15 Sec. 358. The real estate education fund created in section 37
16 of the state license fee act, 1979 PA 152, MCL 338.2237, and
17 administered by the department shall allow prelicensure and
18 postlicensure education to be delivered through on-line courses by
19 a community college, university, or private school, after licensure
20 and approval by the department. Expenditures from this fund may
21 also be made to support department grants for educational providers
22 to establish on-line courses that would be made available to
23 students throughout the year.

24 Sec. 361. In addition to the amounts appropriated in part 1
25 for the administration of the land bank fast track authority, the
26 authority may expend revenues received under the land bank fast
27 track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes

1 authorized by the act including, but not limited to, the
2 acquisition, lease, management, demolition, maintenance, or
3 rehabilitation of real or personal property, payment of debt
4 service for notes or bonds issued by the authority, and other
5 expenses to clear or quiet title property held by the authority.

6 Sec. 362. Of the funds appropriated in part 1 for the
7 department, \$200,000.00 may be used for administration and
8 enforcement of boxing regulation in Michigan.

9 Sec. 364. The department shall provide a report to the chairs
10 of the appropriation subcommittees on labor and economic growth by
11 January 1 on the total administrative costs allocated for the
12 broadband development authority. These costs should include all
13 staffing and other related costs associated with contracts. The
14 report shall also include any payments to date for reimbursement to
15 the Michigan state housing development authority. If no payments
16 have been made, then the report shall include a detailed plan
17 outlining the reimbursement schedule.

18 Sec. 365. From the funds appropriated in part 1 for
19 occupational safety, not less than \$40,000.00 shall be allocated to
20 nonprofit organizations representing the aggregate industry in
21 Michigan in a grant for an industrial-related comprehensive
22 training and technical assistance program. Such funds shall be
23 subject to the conditions established by the Michigan occupational
24 safety and health administration.

25 Sec. 368. Funds collected by the department under sections 55,
26 57, 58, and 59 of the administrative procedures act of 1969, 1969
27 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of

1 the legislative council act, 1986 PA 268, MCL 4.1203, are
2 appropriated for all expenses necessary to provide for the cost of
3 publication and distribution. The funds appropriated under this
4 section are allotted for expenditure when they are received by the
5 department of treasury and shall not lapse to the general fund at
6 the end of the fiscal year.

7 Sec. 370. Of the funds appropriated in the code enforcement
8 and fire safety line item, no less than \$1,602,600.00 shall be
9 allocated to support the fire fighters training council for fiscal
10 year 2006-2007.

11 Sec. 372. (1) The department shall provide a report to the
12 subcommittees, fiscal agencies, and the state budget office by
13 January 1 of each year summarizing the decisions of all
14 administrative law judges for the prior fiscal year.

15 (2) The report shall include the number of decisions rendered
16 in favor of an executive department compared to decisions favoring
17 the opposing party. The report shall be organized by executive
18 department and shall include the issue of debate or alleged
19 violation, the name of the administrative law judge rendering the
20 proposal for decision or decision, a description of the decision
21 rendered, and whether the department or opposing party prevailed.

22 **WORKFORCE AND CAREER DEVELOPMENT**

23 Sec. 401. The Michigan career and technical institute may
24 receive equipment and in-kind contributions for the direct support
25 of staff services through the Pine Lake fund, the Delton-Kellogg
26 school district or other local or intermediate school district, or

1 any combination of local or intermediate school districts in
2 addition to those authorized in part 1.

3 Sec. 402. The Michigan rehabilitation service shall make every
4 effort to ensure that all sources of matching funds in this state
5 are used to obtain federal vocational rehabilitation funds. All
6 sources include, but are not limited to, privately raised funds to
7 support public nonprofit rehabilitation centers as permitted by the
8 rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718,
9 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to
10 795n, and 796 to 796l.

11 Sec. 403. The local match requirements for vocational
12 rehabilitation facilities establishment grants shall not exceed
13 21.3% for the fiscal year ending September 30.

14 Sec. 404. (1) Of the funds appropriated in part 1 for
15 vocational rehabilitation independent living, all general
16 fund/general purpose revenue not used to match federal funds shall
17 be used for the support of centers for independent living which are
18 in compliance with federal standards for such centers, for the
19 development of new centers in areas presently unserved or
20 underserved, for technical assistance to centers, and for projects
21 to build capacity of centers to deliver independent living
22 services. Applications for such funds shall be reviewed in
23 accordance with criteria and procedures established by the
24 statewide independent living council, the Michigan rehabilitation
25 services unit within the department, and the Michigan commission
26 for the blind. Funds must be used in a manner consistent with the
27 priorities established in the state plan for independent living.

1 The department is directed to work with the Michigan association of
2 centers for independent living and the local workforce development
3 boards to identify other competitive sources of funding.

4 (2) As a condition of receipt of funds appropriated in part 1,
5 the statewide independent living council and the Michigan
6 association of centers for independent living shall jointly produce
7 a report providing the following information:

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

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

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

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

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

26 (b) Information from each center for independent living
27 receiving funding through appropriations in part 1 detailing their

1 total budget for their most recently completed fiscal year as well
2 as the amount within that budget funded through the vocational
3 rehabilitation independent living grant program referenced in part
4 1, the total amount funded through other state agencies, the amount
5 funded through federal sources, and the amount funded through local
6 and private sources.

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

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

14 Sec. 405. (1) The appropriation in part 1 to the department
15 for the work first program shall be expended for grants that
16 provide unsubsidized employment, subsidized private employment,
17 work experience, on-the-job training, job search and job readiness
18 assistance, community service, vocational educational training, GED
19 completion, job skills training, education directly related to
20 employment, and child care services to those providing community
21 service to department of human services recipients and may, as
22 resources are available, be expended for grants that provide those
23 services to former family independence program recipients, as well
24 as to recipients of noncash public assistance, specifically child
25 day care, Medicaid, or food stamp benefits. The work first program,
26 however, shall not be construed to be an entitlement to services.
27 Any unexpended portion of the appropriation in part 1 for the work

1 first program shall be carried forward into the subsequent fiscal
2 year and be available for expenditure.

3 (2) An applicant's participation in the work first program
4 shall be limited to a Michigan works! agency. The Michigan works!
5 agency shall contract for services with a school district,
6 intermediate school district, community college, public or private
7 nonprofit college or university, nonprofit organization that
8 provides school-to-work transition programs or that provides
9 employment and training services or vocational rehabilitation
10 programs or state licensed accredited vocational or technical
11 education programs, proprietary school licensed by the state board
12 of education, local workforce development board, or a consortium
13 consisting of any combination of school districts, intermediate
14 school districts, community colleges, nonprofit organizations
15 described in this subsection, licensed proprietary schools, or
16 public or private nonprofit colleges or universities described in
17 this subsection.

18 (3) The department and the department of human services shall
19 develop a process, a set of procedures, and an instrument for
20 providing confidential screening of individuals after the
21 eligibility determination. The department shall do the following,
22 as applicable, based on the screening:

23 (a) An individual who is determined to be work eligible and
24 job ready shall be provided assistance with job search and job
25 placement. The individual shall also be referred to local agencies
26 for GED completion, literacy training, or vocational training
27 opportunities as needed.

1 (b) An individual who is determined to be work eligible but
2 lacking job skills, education, or training or to have substance
3 abuse problems shall be provided job training, GED completion,
4 literacy training, English as a second language, vocational
5 training, substance abuse treatment, job coaching, and life skills
6 training for not more than 12 months.

7 (c) An individual who has applied or intends to apply for SSI,
8 has mental or physical impairments, or has other similar
9 impediments shall be referred to a qualified community-based
10 organization for a more thorough evaluation and assessment of work
11 participation level. The department shall do the following, as
12 applicable, based on that evaluation and assessment:

13 (i) If the individual is able to participate in outside work,
14 he or she shall be referred back to a Michigan works! agency for
15 work activities, including job search and placement, vocational
16 education, literacy training, GED completion, and other similar
17 programs.

18 (ii) If the individual is able to participate in work but needs
19 a supported work environment, he or she shall continue employment
20 activities at a community-based organization with demonstrated
21 ability of providing vocational rehabilitation and evaluation
22 services for persons with disabilities.

23 (iii) If the individual is eligible for SSI or disability, he or
24 she shall be referred to the department of human services that will
25 refer the recipient to the legal services association of Michigan
26 for the SSA advocacy program. The department of human services
27 shall contract with the legal services association of Michigan at a

1 rate not to exceed \$350.00 for each referral and \$300.00 for each
2 successful applicant.

3 (4) Work first program participants shall include recipients
4 of the department of human services program established under
5 section 57a of the social welfare act, 1939 PA 280, MCL 400.57a,
6 and individuals who are referred to a job club program by a county
7 department of human services board or a county friend of the court
8 if the participation in the job club is part of an application
9 submitted under this section.

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

13 (6) The department will work with the department of human
14 services to coordinate support services to work first participants
15 relating to special or emergency needs.

16 (7) Work first program participants shall be given an
17 explanation of the program including their benefits and
18 responsibilities during development of the personal work plan and
19 personal responsibility plan as developed respectively by a
20 Michigan works! agency and the department of human services. This
21 explanation shall include clear guidelines with regard to an
22 individual's eligibility for postemployment training support and
23 for applying hours in training toward work requirements. The
24 department, the department of human services, and the Michigan
25 works! agencies shall develop and implement a shared assessment
26 process and evaluation tool to identify barriers that may prevent
27 the participant from obtaining employment in an occupationally

1 relevant and demand-driven occupation and assistance that may be
2 needed to remove the barriers, including transportation, education,
3 and job training.

4 (8) The department shall make every effort to place a minimum
5 of 50% of clients who participate in the work first program in
6 positions that provide wages of \$8.00 per hour or more.

7 (9) The department shall provide to the subcommittees of the
8 house and senate appropriations committees with jurisdiction over
9 the budgets for the department of human services and the department
10 of labor and economic growth, the fiscal agencies, and the state
11 budget director by May 15 and November 15 of each year a report on
12 the work first grants and programs. The report due by May 15 shall
13 provide the information described in this subsection for each
14 Michigan works! agency grant or contract awarded during the
15 immediately preceding 2 quarters of the state fiscal year. The
16 report due by November 15 shall provide the information described
17 in this subsection for each grant or contract awarded during the
18 immediately preceding full fiscal year. The reports shall contain
19 all of the following:

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

21 (b) The number of participants in each service delivery area
22 and all of the following:

23 (i) The number of participants who meet federal work
24 participation requirements.

25 (ii) The number of participants who located employment through
26 work first in unsubsidized employment.

27 (iii) The number of participants who located employment through

1 work first in subsidized private employment.

2 (iv) The average wage of participants who found employment.

3 (v) The number of participants who retained their jobs for 6
4 months.

5 (vi) The number of participants placed in employment training
6 and education programs including each of the following programs:

7 (A) Work experience.

8 (B) On-the-job training.

9 (C) Job search or job readiness assistance.

10 (D) Community service.

11 (E) Vocational educational training.

12 (F) Job skills training.

13 (G) GED.

14 (H) Education directly related to employment.

15 (vii) The number of participants who complete their GED.

16 (viii) The number of clients referred to work first who failed
17 to report.

18 (ix) A compilation of barriers to employment by incidence and
19 type experienced by participants.

20 (x) The number of participants referred back to the department
21 of human services.

22 (10) The department shall make available to work first
23 participants guidelines on eligibility for postemployment training
24 and how training or education hours are applied toward work
25 participation requirements. These guidelines will be presented by
26 the department of human services and the department contracted
27 staff in accordance with department policy issuances and department

1 of human services program bulletins. These guidelines presented by
2 the department and the department of human services shall balance
3 the ability of participants to obtain training and subsequent long-
4 term high-wage employment with the need to connect participants
5 with the workplace. Any and all training or education and community
6 service, with the exception of high school completion, English as a
7 second language, fast-track literacy, and GED preparation, must be
8 occupationally relevant and in demand in the labor market as
9 determined by the workforce development board. Participants must
10 make satisfactory progress to continue in a training or education
11 component.

12 (11) A work first participant shall participate in work
13 activities for at least the minimum average number of hours per
14 week specified in 42 USC 607(c). However, a work first participant
15 may meet the work participation requirement by participating in
16 comprehensive basic skills education for the minimum time
17 determined by the assessment and evaluation provided in subsection
18 (7). A combination of basic skills training, occupational training,
19 and community service up to the maximum determined by the
20 assessment and evaluation provided in subsection (7) may be used to
21 satisfy the work participation requirements. Training or education
22 may last up to 12 months, and the calculated hours may include
23 actual classroom seat time up to 15 hours per week plus up to 1
24 hour of study time for each hour of classroom seat time. Community
25 service shall be used only for cases where federal work
26 participation requirements cannot be met without this activity.
27 Work first participants may enroll in additional hours of classroom

1 seat time beyond 15 hours. However, these hours and the related
2 study time will not count toward the work participation
3 requirement. Assistance may be provided for up to 2 years or 24
4 months.

5 (12) Work first participants may meet the work participation
6 requirement through enrollment in a short-term vocational program
7 requiring 20 hours of classroom seat time per week for a period not
8 to exceed 6 months, or by enrollment in full-time internships,
9 practicums, or clinicals required by an academic or training
10 institution for licensure, professional certification, or degree
11 completion, without an additional work requirement. In cases where
12 a short-term vocational program lasts less than 6 months, the
13 participant shall be eligible to enroll in 1 additional short-term
14 vocational program for a combined period not to exceed a total of
15 12 months.

16 (13) Work first participants who lack a high school diploma or
17 GED and who enroll in high school completion, English as a second
18 language, fast-track literacy, or classes to obtain a GED may count
19 up to 10 hours of classroom seat time, combined with a minimum
20 number of hours of work per week, to meet their work participation
21 requirement. There shall be no time limit on high school
22 completion. GED preparation shall be limited to 12 months.

23 (14) Work first participants who are assessed at a reading or
24 math skill level of below ninth grade on a standardized assessment
25 will participate in an appropriate high school completion, English
26 as a second language, fast-track literacy, or GED completion
27 program to address these deficiencies as determined to be

1 appropriate by the assessment and evaluation provided in subsection
2 (7) and as the Michigan works! agency identifies local resources to
3 provide the services. The department will work with the department
4 of human services to develop appropriate programs and incentives to
5 increase participation in and successful completion of these
6 programs.

7 (15) As used in this section, "work first program" means the
8 jobs, education, and training program.

9 Sec. 406. (1) Using all relevant state data sources, the
10 department shall conduct a 3-year longitudinal study of all former
11 work first participants, whose department of human services program
12 cases closed due to earnings during fiscal year 1999 and in
13 succeeding fiscal years. The data will include the following:

14 (a) The number and percentage employed.

15 (b) The average hourly wage of those employed.

16 (c) The current hourly wage of those employed.

17 (d) The range of wages earned by those employed.

18 (e) The number of individuals that earned each wage amount.

19 (f) The number and percentage receiving health care benefits
20 from their employer.

21 (g) The number and percentage receiving tuition reimbursement
22 from their employer.

23 (h) The number and percentage receiving training benefits from
24 their employer.

25 (i) The type of jobs obtained by former participants in
26 general categories.

27 (j) The length of time former participants have retained their

1 jobs, or if participants have had more than 1 job, the length of
2 time employed at each job.

3 (k) The number and percentage continuing to receive any type
4 of public assistance.

5 (l) If the former recipient has children, whether the children
6 are enrolled in and attending school.

7 (m) The extent to which the former participant feels that they
8 and their family are better off now than when they were on cash
9 assistance with regard to household income, housing, food and
10 nutritional needs, child health care, and access to health
11 insurance coverage.

12 (2) The department shall notify the subcommittees, fiscal
13 agencies, and state budget director electronically by March 15 of
14 the location of the Internet site where the report containing the
15 identified data is located.

16 (3) The department shall cooperate with the department of
17 human services in formulating and acquiring the identified data.

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

20 Sec. 407. State and federal funds allocated to local workforce
21 development boards for disbursement shall not be expended unless
22 the local workforce development boards maintain a partnership with
23 governmental agencies, public school districts, and public colleges
24 located within the local service delivery area. Each board shall
25 appoint an education advisory group made up of high-level
26 administrators within local educational institutions, workforce
27 development board members, other employers, labor, academic

1 educators, and parents of public school pupils.

2 Sec. 409. (1) Of the funds appropriated in part 1 for
3 precollege programs in engineering and the sciences, \$340,050.00
4 shall be provided in the form of a grant to the Detroit precollege
5 engineering program, incorporated and \$340,050.00 shall be provided
6 in the form of a grant to the Grand Rapids area precollege
7 engineering program.

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

18 Sec. 410. (1) The department shall have at least 1 disabled
19 veterans outreach program specialist or local veterans employment
20 representative assigned to each Michigan works! service center on a
21 full- or part-time basis during hours of operation.

22 (2) The department shall ensure that each Michigan works!
23 service center shall have the necessary equipment to allow the
24 disabled veterans outreach specialist or local veterans employment
25 representative to perform his or her duties.

26 (3) The department shall require each Michigan works! service
27 center to have an employee available to ask each individual who

1 requires intensive service whether that individual is a veteran and
2 to refer each veteran to the disabled veterans outreach program
3 specialist or local veterans employment representative on duty at
4 the time.

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

10 (5) The department shall require each Michigan works! service
11 center to provide free mediated services to employers wishing to
12 hire a veteran.

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

15 Sec. 414. The department may carry into the succeeding fiscal
16 year unexpended federal pass-through funds to local institutions
17 and governments that do not require additional state matching
18 funds. Federal pass-through funds to local institutions and
19 governments that are received in amounts in addition to those
20 included in part 1 and that do not require additional state
21 matching funds are appropriated for the purposes intended.

22 Sec. 415. Of the amounts appropriated in part 1 for
23 postsecondary education, private occupational school license fees
24 shall fund related administrative costs of the proprietary schools
25 oversight unit within the department.

26 Sec. 417. The department is appropriated an amount not to
27 exceed \$100,000.00 from collection of defaulted loans under the

1 future faculty program in the Martin Luther King, Jr. - Cesar
2 Chavez - Rosa Parks programs to offset costs of administering the
3 loan collections.

4 Sec. 418. From the funds appropriated in part 1 for
5 postsecondary education, the department shall compile data from
6 each university that receives funding for the future faculty
7 program within the King-Chavez-Parks initiative on employment
8 outcomes for program participants. The report shall be distributed
9 to the house and senate appropriations committees, the fiscal
10 agencies, and the state budget office by February 1 of each year.
11 The report shall include data from each participating university
12 covering the most recently completed fiscal year. The data shall
13 include all of the following:

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

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

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

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

22 Sec. 421. The King-Chavez-Parks initiative shall be marketed
23 by the department to Michigan parents and high school and college
24 students, to promote the benefits and the availability of the
25 college day, select student support services, college/university
26 partnership, visiting professors, Morris Hood, Jr. educator
27 development, and future faculty programs. The department shall

1 provide electronic notification of the location of the report on
2 the Internet to the subcommittees annually on December 30,
3 identifying all efforts taken to market these programs, including,
4 but not limited to, the amount of funding allocated for this
5 purpose, the fund source and any expenditures or encumbrances
6 relating to this marketing effort.

7 Sec. 425. The department shall work cooperatively with the
8 department of civil service to identify state employees who will
9 lose their jobs as a result of an agency or program being
10 reorganized, modified, or eliminated and shall develop training
11 programs and provide training to these individuals that will
12 provide them an opportunity and skills necessary to secure new
13 employment within state government or the private sector. It shall
14 be a priority of the department to provide training and employment
15 opportunities to these individuals through their employment service
16 locations.

17 Sec. 426. From the funds appropriated in part 1 to workforce
18 training programs subgrantees, the department shall allocate
19 sufficient funds to the Michigan works! service centers to allow
20 these centers to remain fully operational.

21 Sec. 427. The youth low-vision program is considered the payer
22 of last resort. Other available public or private insurance
23 coverage, including Medicaid or MIChild, and special education
24 funds, shall be exhausted prior to using any funds appropriated in
25 part 1 to purchase low-vision devices or equipment for an
26 individual.

27 Sec. 429. (1) As a condition for receipt of the funds

1 appropriated in part 1, Focus: HOPE shall submit a report on the
2 use of the grant's funds appropriated in part 1 to the chairs of
3 the subcommittees, the fiscal agencies, and the state budget office
4 that includes, but is not limited to, the following:

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

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

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

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

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

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

16 Sec. 430. The funds appropriated in part 1 for grant to
17 newslines for the blind shall be used to provide access to newspaper
18 and magazine information in a form that is accessible to blind and
19 low vision citizens in Michigan. The grant shall be made to NFB
20 national federation of the blind newslines.

21 ARTICLE 13

22 MICHIGAN STRATEGIC FUND

23 PART 1

24 LINE-ITEM APPROPRIATIONS

25 Sec. 101. There is appropriated for the Michigan strategic

1 fund for the fiscal year ending September 30, 2007, from the funds
 2 indicated in this part, the following:

3 **MICHIGAN STRATEGIC FUND (THRIVING ECONOMY)**

4 APPROPRIATION SUMMARY:

5	Full-time equated classified positions.....	152.0	
6	Administration--22.0 FTE positions.....		\$ 2,451,000
7	Job creation services--130.0 FTE positions.....		17,496,000
8	Michigan promotion program.....		5,717,500
9	Economic development job training grants.....		9,798,000
10	Community development block grants.....		45,000,000
11	Human resources optimization user charges.....		<u>17,300</u>
12	GROSS APPROPRIATION.....		\$ 80,479,800
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG-MDEQ, air quality fees.....		78,600
16	Federal revenues:		
17	DOL-ETA, employment service.....		300,000
18	HUD-CPD, community development block grant.....		47,387,000
19	Special revenue funds:		
20	Private - special project advances.....		700,000
21	Industry support fees.....		5,000
22	State general fund/general purpose.....		\$ 32,009,200

23 **PART 2**

24 **PROVISIONS CONCERNING APPROPRIATIONS**

25 **GENERAL SECTIONS**

1 Sec. 201. Pursuant to section 30 of article IX of the state
2 constitution of 1963, total state spending from state resources
3 under part 1 for fiscal year 2006-2007 is \$32,014,200.00 and state
4 spending from state resources to be paid to local units of
5 government for fiscal year 2006-2007 is \$9,798,000.00 from the
6 entire appropriation for economic development job training grants.

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

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

17 Sec. 205. (1) A hiring freeze is imposed on the state
18 classified civil service. State departments and agencies are
19 prohibited from hiring any new full-time state classified civil
20 service employees and prohibited from filling any vacant state
21 classified civil service positions. This hiring freeze does not
22 apply to internal transfers of classified employees from 1 position
23 to another within a department or state classified civil service
24 positions funded fully by federal funds.

25 (2) The state budget director may grant exceptions to this
26 hiring freeze when the state budget director believes that the
27 hiring freeze will result in rendering a state department or agency

1 unable to deliver basic services, cause a loss of revenue to the
2 state, result in the inability of the state to receive federal
3 funds, or would necessitate additional expenditures that exceed any
4 savings from maintaining a vacancy. The state budget director shall
5 report quarterly to the chairpersons of the senate and house of
6 representatives standing committees on appropriations the number of
7 exceptions to the hiring freeze approved during the previous month
8 and the reasons to justify the exception.

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

15 Sec. 208. Unless otherwise specified, the fund shall use the
16 Internet to fulfill the reporting requirements of this article.
17 This requirement may include transmission of reports via electronic
18 mail to the recipients identified for each reporting requirement or
19 it may include placement of reports on the Internet or Intranet
20 site.

21 Sec. 209. Funds appropriated in part 1 shall not be used for
22 the purchase of foreign goods or services, or both, if
23 competitively priced and of comparable quality American goods or
24 services, or both, are available. Preference should be given to
25 goods or services, or both, manufactured or provided by Michigan
26 businesses if they are competitively priced and of comparable
27 quality.

1 Sec. 210. The chair of the fund shall take all reasonable
2 steps to ensure businesses in deprived and depressed communities
3 compete for and perform contracts to provide services or supplies,
4 or both. The chair of the fund shall strongly encourage firms with
5 which the fund contracts to subcontract with certified businesses
6 in depressed and deprived communities for services, supplies, or
7 both.

8 Sec. 212. The fund shall receive and retain copies of all
9 reports funded from appropriations in part 1. The fund shall follow
10 federal and state guidelines for short-term and long-term retention
11 of these reports and records.

12 Sec. 213. From the funds appropriated in part 1 for
13 information technology, the departments and agencies shall pay user
14 fees to the department of information technology for technology-
15 related services and projects. Such user fees shall be subject to
16 provisions of an interagency agreement between the fund and the
17 department of information technology.

18 Sec. 214. Amounts appropriated in part 1 for information
19 technology may be designated as work projects and carried forward
20 to support technology projects under the direction of the
21 department of information technology. Funds designated in this
22 manner are not available for expenditure until approved as work
23 projects under section 451a of the management and budget act, 1984
24 PA 431, MCL 18.1451a.

25 Sec. 216. It is the intent of the legislature that all revenue
26 sources for funds appropriated in part 1 shall not be aggregated
27 into general categories and shall be specifically identified and

1 detailed as much as possible.

2 Sec. 217. (1) Due to the current budgetary problems in this
3 state, out-of-state travel for the fiscal year ending September 30,
4 2007 shall be limited to situations in which 1 or more of the
5 following conditions apply:

6 (a) The travel is required by legal mandate or court order or
7 for law enforcement purposes.

8 (b) The travel is necessary to protect the health or safety of
9 Michigan citizens or visitors or to assist other states in similar
10 circumstances.

11 (c) The travel is necessary to produce budgetary savings or to
12 increase state revenues, including protecting existing federal
13 funds or securing additional federal funds.

14 (d) The travel is necessary to comply with federal
15 requirements.

16 (e) The travel is necessary to secure specialized training for
17 staff that is not available within this state.

18 (f) The travel is financed entirely by federal or nonstate
19 funds.

20 (2) If out-of-state travel is necessary but does not meet 1 or
21 more of the conditions in subsection (1), the state budget director
22 may grant an exception to allow the travel. Any exceptions granted
23 by the state budget director shall be reported on a monthly basis
24 to the house and senate appropriations committees.

25 (3) Not later than January 1 of each year, each department
26 shall prepare a travel report listing all travel by classified and
27 unclassified employees outside this state in the immediately

1 preceding fiscal year that was funded in whole or in part with
2 funds appropriated in the department's budget. The report shall be
3 submitted to the chairs and members of the house and senate
4 appropriations committees, the fiscal agencies, and the state
5 budget director. The report shall include the following
6 information:

7 (a) The name of each person receiving reimbursement for travel
8 outside this state or whose travel costs were paid by this state.

9 (b) The destination of each travel occurrence.

10 (c) The dates of each travel occurrence.

11 (d) A brief statement of the reason for each travel
12 occurrence.

13 (e) The transportation and related costs of each travel
14 occurrence, including the proportion funded with state general
15 fund/general purpose revenues, the proportion funded with state
16 restricted revenues, the proportion funded with federal revenues,
17 and the proportion funded with other revenues.

18 (f) A total of all out-of-state travel funded for the
19 immediately preceding fiscal year.

20 Sec. 219. The fund shall not take disciplinary action against
21 an employee for communicating with a member of the legislature or
22 his or her staff.

23 MICHIGAN STRATEGIC FUND

24 Sec. 1001. (1) The appropriation in part 1 to the fund for
25 economic development job training shall be expended in 2
26 categories: the business response program for employee training

1 grants that maintain or attract permanent jobs for Michigan
2 residents and the manufacturing competitiveness program for grants
3 to fund collaborative efforts that increase the competitiveness of
4 multiple companies within a grant. The business response program is
5 allocated up to \$6,532,000.00, and the manufacturing
6 competitiveness program is allocated up to \$3,266,000.00 not to
7 exceed the part 1 appropriation for this program in its entirety.
8 The fund has the authority to reallocate these amounts during the
9 fiscal year dependent on business demand and economic conditions.

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

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

18 (4) Of the total funds appropriated in part 1 for economic
19 development job training grants, at least 75% of the funds shall be
20 awarded to community colleges or a consortium of community colleges
21 and other eligible applicants pursuant to subsection (5).

22 (5) An applicant may be a school district, intermediate school
23 district, community college, public or private nonprofit college or
24 university, nonprofit organization whose primary purpose is to
25 provide education programs or employment and training services or
26 vocational rehabilitation programs or school-to-work transition
27 programs, local workforce development board, the headquarters of a

1 federal and state sponsored manufacturing technology center, or a
2 consortium consisting of any combination of school districts,
3 intermediate school districts, community colleges, nonprofit
4 organizations described in this subsection, or public or private
5 nonprofit colleges or universities described in this subsection.

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

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

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

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

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

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

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

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

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

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

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

5 (d) In addition, for the manufacturing competitiveness
6 program, the following criteria will receive priority: strong level
7 of collaboration and cooperation and demonstration of new
8 techniques, systems, and processes of value to the affected
9 companies.

10 (9) Participants in economic development job training programs
11 shall be 16 years or older and not enrolled and counted in
12 membership in a school district, intermediate school district, or
13 community college.

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

20 (11) For training delivered to incumbent workers under the
21 business response program, the business receiving the benefit of
22 the training shall provide a minimum of 20% of the program costs in
23 matching funds as necessitated by the program. For training
24 delivered under the manufacturing competitiveness program, the
25 business receiving the benefit of the training shall provide a
26 minimum of 30% of the program costs in matching funds as
27 necessitated by the program.

1 (12) Grant funds shall be expended on a cost reimbursement
2 basis.

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

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

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

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

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

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

25 (15) Of the funds appropriated in part 1 for economic
26 development job training grants, the fund shall not use these funds
27 to finance the startup or in any way subsidize any private

1 distributor of liquor products in Michigan.

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

6 Sec. 1002. The Michigan growth capital fund shall be used to
7 develop the technology business sector in Michigan. The Michigan
8 growth capital fund will be used to encourage private and public
9 investment in the technology business sector, and all of the
10 following apply:

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

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

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

23 (d) All funds received from repayment of loans, unused grants,
24 revenues received from sales or cash flow participation agreements,
25 guarantees, or any combination thereof or interest thereon,
26 originally distributed as part of the Michigan growth capital fund,
27 shall be received, held, and applied by the fund for the purposes

1 described in this section.

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

6 Sec. 1003. Travel Michigan may establish and collect a fee to
7 cover the cost of materials and processing of photographic prints,
8 slides, videotapes, and travel product database information that
9 are requested by the media and other segments of the public and
10 private sectors. The fees collected shall be appropriated for all
11 expenses necessary to purchase and distribute these photographic
12 prints, slides, videotapes, and travel product database
13 information. The funds are available for expenditure when they are
14 received by the department of treasury.

15 Sec. 1004. Travel Michigan may receive and expend private
16 revenue related to the use of the "Michigan Great Lakes. Great
17 Times." copyrighted slogan and image. This revenue may come from
18 the direct licensing of the name and image or from the royalty
19 payments from various merchandise sales. Revenue collected is
20 appropriated for the marketing of the state as a travel
21 destination. The funds are available for expenditure when they are
22 received by the department of treasury.

23 Sec. 1005. The fund shall submit on or before May 1 and
24 November 1 to the subcommittees, state budget office, and the
25 fiscal agencies a listing of all grants which have been awarded by
26 the fund or by the Michigan economic development corporation from
27 the funds appropriated in part 1. The list shall include all of the

1 following:

2 (a) The name of the recipient.

3 (b) The amount awarded to the recipient.

4 (c) The purpose of the grant.

5 Sec. 1006. (1) The fund shall provide reports to the relevant
6 subcommittees, the state budget director, and the fiscal agencies
7 concerning the activities of the Michigan economic development
8 corporation grants and investment programs financed from the fund
9 using investment or Indian gaming revenues. The report shall
10 provide a list of individual grants and loans made from the fund.
11 The report shall include, but not be limited to, the following
12 programs funded in part 1:

13 (a) Travel Michigan.

14 (b) Michigan business development.

15 (c) Global business development.

16 (d) Small, minority, and disabled business services.

17 (e) Community development block grants.

18 (f) Strategic fund administration.

19 (g) Renaissance zones.

20 (h) Emerging business sectors and roundtables.

21 (i) Business and clean air ombudsman.

22 (j) Economic development job training grants.

23 (k) Community assistance team.

24 (l) Technology tri-corridor.

25 (m) Any other programs of the fund.

26 (2) The reports in subsection (1) shall be submitted by
27 January 1. The report for each program in subsection (1)(a) through

1 (m) shall include details on the actual spending and number of FTEs
2 for that program for the previous fiscal year.

3 Sec. 1007. As a condition of receiving funds under part 1, any
4 interlocal agreement entered into by the fund shall include
5 language which states that if a local unit of government has a
6 contract or memorandum of understanding with a private economic
7 development agency, the Michigan economic development corporation
8 will work cooperatively with that private organization in that
9 local area.

10 Sec. 1008. (1) Of the funds appropriated to the fund or
11 through grants to the Michigan economic development corporation, no
12 funds shall be expended for the purchase of options on land or the
13 purchase of land unless at least 1 of the following conditions
14 applies:

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

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

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

24 (3) As used in this section, "economically distressed area"
25 means an area in a city, village, or township that has been
26 designated as blighted; a city, village, or township that shows
27 negative population change from 1970 and a poverty rate and

1 unemployment rate greater than the statewide average; or an area
2 certified as a neighborhood enterprise zone.

3 Sec. 1009. The money appropriated in part 1 to the fund is
4 subject to the condition that none is spent for premiums or
5 advertising material involving personal effects or apparel
6 including, but not limited to, T-shirts, hats, coffee mugs, or
7 other promotional items, except travel Michigan.

8 Sec. 1010. (1) From the general fund/general purpose
9 appropriations in part 1 to the fund and granted or transferred to
10 the Michigan economic development corporation, any unexpended or
11 unencumbered balance shall be disposed of in accordance with the
12 requirements in the management and budget act, 1984 PA 431, MCL
13 18.1101 to 18.1594, unless carryforward authorization has been
14 otherwise provided for.

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

17 Sec. 1011. (1) As a condition of receiving funds under part 1,
18 the fund shall ensure that the MEDC and the fund comply with all of
19 the following:

20 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
21 15.246.

22 (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

23 (c) Annual audits of all financial records by the auditor
24 general or his or her designee.

25 (d) All reports required by law to be submitted to the
26 legislature.

27 (2) If the MEDC is unable for any reason to perform duties

1 under this article, the fund may exercise those duties.

2 Sec. 1012. As a condition for receiving the appropriations in
3 part 1, any staff of the Michigan economic development corporation
4 involved in private fund-raising activities shall not be party to
5 any decisions regarding the awarding of grants or tax abatements
6 from the fund, the Michigan economic development corporation, or
7 the Michigan economic growth authority.

8 Sec. 1013. (1) All funds received from repayment of loans,
9 unused grants, revenues received from sales or cash flow
10 participation agreements, guarantees, or any combination thereof or
11 interest thereon, originally distributed as part of the core
12 communities fund, shall be received, held, and applied by the fund
13 for the purposes described in this article.

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

17 Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA
18 291 for the Michigan core communities fund may be used to create an
19 urban revitalization infrastructure program in the fund for
20 economic development awards to create new jobs or contribute to
21 redevelopment and encourage private investment in core communities.

22 (2) Awards may be provided to qualified local governmental
23 units as defined in the obsolete property rehabilitation act, 2000
24 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as
25 defined in the local development financing act, 1986 PA 281, MCL
26 125.2151 to 125.2174.

27 (3) Awards can be used for land and property acquisition and

1 assembly, demolition, site development, utility modifications and
2 improvements, street and road improvements, telecommunication
3 infrastructure, site location and relocation, infrastructure
4 improvements, and any other costs related to the successful
5 development and implementation of core community or certified
6 technology park projects, at the discretion of the Michigan
7 economic development corporation.

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

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

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

1 building codes, and the use of competitive construction permitting
2 fees.

3 (7) No single applicant shall be awarded more than
4 \$10,000,000.00 per project.

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

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

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

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

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

17 (10) All funds received from repayment of loans, unused
18 grants, revenues received from sales or cash flow participation
19 agreements, guarantees, or any combination thereof or interest
20 thereon, originally distributed as part of the core communities
21 fund, shall be received, held, and applied by the fund for the
22 purposes described in this part.

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

26 Sec. 1015. It is the intent of the legislature that the
27 members of the executive committee of the corporation board of the

1 MEDC be subject to the advice and consent of the senate.

2 Sec. 1016. The Michigan economic development corporation shall
3 work with the office of the auditor general to implement procedures
4 to annually audit the number of jobs claimed to be created by firms
5 receiving Michigan economic growth authority grants, and all other
6 claims of job creation for which MEDC has provided tax credits or
7 other economic incentives.

8 Sec. 1017. The Michigan economic development corporation shall
9 report on the number of individuals it employs with an annual
10 salary of \$80,000.00 or more to the subcommittees, the fiscal
11 agencies, and the state budget office by October 31, 2007. The
12 report shall include the name, the job title, and a description of
13 the duties and responsibilities of all such employees.

14 Sec. 1018. From the funds appropriated in part 1 for the
15 Michigan promotion program, the Michigan economic development
16 corporation shall contract with a state research university in
17 Michigan to conduct a scientific study of the return on investment
18 of state tourism advertising expenditures. The results of this
19 study shall be reported to the subcommittees, the fiscal agencies,
20 and the state budget office by January 31, 2007.

21 Sec. 1019. (1) As a condition of receiving the funds
22 appropriated in part 1, the Michigan strategic fund shall ensure
23 that the Michigan economic development corporation and the Michigan
24 strategic fund promulgate or create no guidelines, rules,
25 standards, protocols, or other similar mandates that would prevent
26 a firm, which otherwise qualifies for Michigan economic growth
27 authority tax credits, from receiving such credits because the new

1 employees who fill qualified new jobs as defined in the Michigan
2 economic growth authority act of 1995, 1995 PA 24, MCL 207.801 to
3 207.810, are leased from a professional employer organization.

4 (2) For purposes of this section, a professional employer
5 organization is defined as an organization that provides the
6 management and administration of the human resources and employer
7 risk of another entity by contractually assuming substantial
8 employer rights, responsibilities, and risk through a professional
9 employer agreement that establishes an employer relationship with
10 the leased officers or employees assigned to the other entity by
11 doing all of the following:

12 (a) Maintaining the right of direction and control of the
13 employees' work, although this responsibility may be shared with
14 the other entity.

15 (b) Paying wages and employment taxes of the employees out of
16 its own accounts.

17 (c) Reporting, collecting, and depositing state and federal
18 employment taxes for the employees.

19 (d) Retaining the right to hire and fire employees.

20 ARTICLE 14

21 MILITARY AND VETERANS AFFAIRS

22 PART 1

23 LINE-ITEM APPROPRIATIONS

24 Sec. 101. Subject to the conditions set forth in this
25 article, the amounts listed in this part are appropriated for the

department of military and veterans affairs for the fiscal year
ending September 30, 2007, from the funds indicated in this part.

The following is a summary of the appropriations in this part:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 7.0

Full-time equated classified positions..... 1,015.0

GROSS APPROPRIATION..... \$ 122,317,600

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 1,664,600

ADJUSTED GROSS APPROPRIATION..... \$ 120,653,000

Federal revenues:

Total federal revenues..... 51,190,700

Special revenue funds:

Total local revenues..... 0

Total private revenues..... 1,366,300

Total other state restricted revenues..... 26,202,700

State general fund/general purpose..... \$ 41,893,300

**Sec. 102. HEADQUARTERS AND ARMORIES (SAFETY,
PREPARED FOR JOBS)**

Full-time equated unclassified positions..... 7.0

Full-time equated classified positions..... 123.0

Headquarters and armories--82.5 FTE positions..... \$ 10,178,900

Human resources optimization user charge..... 60,900

Unclassified military personnel..... 660,300

Military appeals tribunal..... 900

1	Michigan emergency volunteers.....	5,000
2	State active duty.....	85,100
3	Challenge program--40.5 FTE positions.....	4,583,900
4	Homeland security.....	1,000,000
5	Military family relief fund.....	<u>600,000</u>
6	GROSS APPROPRIATION.....	\$ 17,175,000
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG, community health.....	100,000
10	IDG, challenge grant.....	253,800
11	IDG, state police.....	900,000
12	IDG, human services.....	410,800
13	Federal revenues:	
14	DOD-DOA-NGB.....	4,482,800
15	Special revenue funds:	
16	Rental fees.....	350,000
17	Mackinac Bridge authority.....	55,000
18	Private donations.....	800,100
19	Military family relief fund.....	600,000
20	Private - parent pay revenue.....	101,200
21	State general fund/general purpose.....	\$ 9,121,300
22	Sec. 103. MILITARY TRAINING SITES AND SUPPORT	
23	FACILITIES (SAFETY)	
24	Full-time equated classified positions.....	200.0
25	Military training sites and support facilities--	200.0
26	FTE positions	\$ 20,627,800
27	Military training sites and support facilities test	

1	projects		<u>100,000</u>
2	GROSS APPROPRIATION.....	\$	20,727,800
3	Appropriated from:		
4	Federal revenues:		
5	DOD-DOA-NGB.....		18,011,000
6	Special revenue funds:		
7	Test project fees.....		100,000
8	State general fund/general purpose.....	\$	2,616,800
9	Sec. 104. DEPARTMENTWIDE APPROPRIATIONS (SAFETY)		
10	Departmentwide accounts.....	\$	1,660,100
11	Special maintenance - state.....		151,200
12	Special maintenance - federal.....		5,300,000
13	Military retirement.....		2,973,800
14	Counternarcotic operations.....		50,000
15	Starbase grant.....		<u>640,000</u>
16	GROSS APPROPRIATION.....	\$	10,775,100
17	Appropriated from:		
18	Federal revenues:		
19	DOD-DOA-NGB.....		7,206,100
20	Federal counternarcotic revenues.....		50,000
21	State general fund/general purpose.....	\$	3,519,000
22	Sec. 105. VETERANS SERVICE ORGANIZATIONS		
23	(VULNERABLE)		
24	American legion.....	\$	886,000
25	Disabled American veterans.....		732,400
26	Marine corps league.....		336,300
27	American veterans of World War II and Korea.....		464,800

1	Veterans of foreign wars.....		886,000
2	Michigan paralyzed veterans of America.....		165,700
3	Purple heart.....		157,900
4	Veterans of World War I.....		100
5	Polish legion of American veterans.....		41,200
6	Jewish veterans of America.....		41,200
7	State of Michigan council - Vietnam veterans of		
8	America		159,500
9	Catholic war veterans.....		<u>41,200</u>
10	GROSS APPROPRIATION.....	\$	3,912,300
11	Appropriated from:		
12	State general fund/general purpose.....	\$	3,912,300
13	Sec. 106. GRAND RAPIDS VETERANS' HOME (HEALTH)		
14	Full-time equated classified positions.....	517.0	
15	Grand Rapids veterans' home--517.0 FTE positions.....	\$	47,479,300
16	Board of managers.....		<u>415,000</u>
17	GROSS APPROPRIATION.....	\$	47,894,300
18	Appropriated from:		
19	Federal revenues:		
20	DVA-VHA.....		14,836,400
21	HHS-Medicaid.....		398,500
22	HHS-Medicare.....		783,300
23	Special revenue funds:		
24	Private - veterans' home post and posthumous funds...		340,000
25	Income and assessments.....		14,806,400
26	Military family relief fund.....		75,000
27	Lease revenue.....		35,000

1	State general fund/general purpose.....	\$	16,619,700
2	Sec. 107. D.J. JACOBETTI VETERANS' HOME (HEALTH)		
3	Full-time equated classified positions.....	159.0	
4	D.J. Jacobetti veterans' home--159.0 FTE positions ...	\$	15,215,600
5	Board of managers.....		<u>200,000</u>
6	GROSS APPROPRIATION.....	\$	15,415,600
7	Appropriated from:		
8	Federal revenues:		
9	DVA-VHA.....		4,512,300
10	HHS-Medicare.....		388,700
11	HHS-Medicaid.....		92,900
12	Special revenue funds:		
13	Private - veterans' home post and posthumous funds ...		125,000
14	Military family relief fund.....		75,000
15	Income and assessments.....		4,840,400
16	State general fund/general purpose.....	\$	5,381,300
17	Sec. 108. VETERANS' AFFAIRS DIRECTORATE		
18	(VULNERABLE)		
19	Full-time equated classified positions.....	16.0	
20	Veterans' affairs directorate administration--3.0 FTE		
21	positions	\$	326,000
22	Veterans' trust fund administration--13.0 FTE		
23	positions		1,183,300
24	Veterans' trust fund grants.....		<u>3,746,500</u>
25	GROSS APPROPRIATION.....	\$	5,255,800
26	Appropriated from:		
27	Special revenue funds:		

1	Michigan veterans' trust fund.....		4,929,800
2	State general fund/general purpose.....	\$	326,000
3	Sec. 109. INFORMATION TECHNOLOGY (SAFETY)		
4	Information technology services and projects.....	\$	<u>1,161,700</u>
5	GROSS APPROPRIATION.....	\$	1,161,700
6	Appropriated from:		
7	Federal revenues:		
8	DOD-DOA-NGB.....		113,000
9	DVA-VHA.....		306,800
10	HHS-Medicare.....		8,900
11	Special revenue funds:		
12	Income and assessments.....		336,100
13	State general fund/general purpose.....	\$	396,900

14 PART 2

15 PROVISIONS CONCERNING APPROPRIATIONS

16 GENERAL SECTIONS

17 Sec. 201. Pursuant to section 30 of article IX of the state

18 constitution of 1963, total state spending from state resources

19 under part 1 for fiscal year 2006-2007 is \$68,096,000.00 and state

20 spending from state resources to be paid to local units of

21 government for fiscal year 2006-2007 is \$120,000.00. The itemized

22 statement below identifies appropriations from which spending to

23 local units of government will occur:

24 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

25 MILITARY TRAINING SITES AND SUPPORT FACILITIES

1	Payments in lieu of taxes.....	\$	70,000
2	MICHIGAN VETERANS' TRUST FUND		
3	County counselor travel expenses.....	\$	<u>50,000</u>
4	TOTAL.....	\$	120,000

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

8 Sec. 203. As used in this article:

9 (a) "Department" means the department of military and veterans
10 affairs.

11 (b) "Director" means the director of the department of
12 military and veterans affairs.

13 (c) "DOD" means the United States department of defense.

14 (d) "DOD-DOA-NGB" means the DOD department of the army,
15 national guard bureau.

16 (e) "DVA" means the United States department of veterans'
17 affairs.

18 (f) "DVA-VHA" means the DVA veterans' health administration.

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

20 (h) "HHS" means the United States department of health and
21 human services.

22 (i) "IDG" means interdepartmental grant.

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

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

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

20 Sec. 207. Sixty days before beginning any effort to privatize,
21 the department shall submit a complete project plan to the
22 appropriate senate and house of representatives appropriations
23 subcommittees and the senate and house fiscal agencies. The plan
24 shall include the criteria under which the privatization initiative
25 will be evaluated. The evaluation shall be completed and submitted
26 to the appropriate senate and house of representatives
27 appropriations subcommittees and the senate and house fiscal

1 agencies within 30 months.

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

8 Sec. 209. Funds appropriated in part 1 shall not be used for
9 the purchase of foreign goods or services, or both, if
10 competitively priced and of comparable quality American goods or
11 services, or both, are available. Preference should be given to
12 goods or services, or both, manufactured or provided by Michigan
13 businesses, if they are competitively priced and of comparable
14 quality.

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

22 Sec. 211. The departments and agencies receiving
23 appropriations in part 1 shall receive and retain copies of all
24 reports funded from appropriations in part 1. The department shall
25 follow all federal guidelines and state laws regarding short-term
26 and long-term retention of records.

27 Sec. 212. (1) Of the funds appropriated in part 1 for military

1 training sites and support facilities, there shall be established a
2 Michigan national guard education assistance program. Disbursements
3 to the educational assistance program shall not exceed
4 \$1,100,000.00 without legislative approval. Under the program, a
5 member of the national guard who is in active service and who
6 enrolls as a full- or part-time student at a public or private
7 state college or university may be eligible to receive up to an
8 equivalent of 50% of the total cost of tuition not to exceed
9 \$2,000.00, as education assistance, in any academic year.

10 (2) As used in this section, an eligible person means a member
11 of the Michigan national guard who is in active service, as defined
12 in section 105 of the Michigan military act, 1967 PA 150, MCL
13 32.505. An eligible person does not include a member of the
14 Michigan national guard or air national guard who is absent without
15 leave or who is under charges as described in the Michigan code of
16 military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

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

21 (4) An eligible person shall apply to the department of
22 military and veterans affairs, office of the adjutant general for
23 education assistance and shall provide evidence of attendance and
24 completion of the course of study with a grade of at least 2.0 on a
25 4.0 scale, or its equivalent. The adjutant general shall approve
26 the application for reimbursement if the applicant meets the
27 definition of an eligible person under subsection (2) and other

1 criteria as established by the adjutant general.

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

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

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

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

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

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

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

5 Sec. 214. It is the intent of the legislature that, should the
6 necessary legislation be enacted and funding become available,
7 funds be appropriated for state military cemeteries in Crawford and
8 Dickinson Counties.

9 Sec. 221. From the funds appropriated in part 1 for
10 information technology, departments and agencies shall pay user
11 fees to the department of information technology for technology-
12 related services and projects. These user fees shall be subject to
13 provisions of an interagency agreement between the departments and
14 agencies and the department of information technology.

15 Sec. 223. Amounts appropriated in part 1 for information
16 technology may be designated as work projects and carried forward
17 to support technology projects under the direction of the
18 department of information technology. Funds designated in this
19 manner are not available for expenditure until approved as work
20 projects under section 451a of the management and budget act, 1984
21 PA 431, MCL 18.1451a.

22 Sec. 225. (1) Due to the current budgetary problems in this
23 state, out-of-state travel for the fiscal year ending September 30,
24 2007 shall be limited to situations in which 1 or more of the
25 following conditions apply:

26 (a) The travel is required by legal mandate or court order or
27 for law enforcement purposes.

1 (b) The travel is necessary to protect the health or safety of
2 Michigan citizens or visitors or to assist other states in similar
3 circumstances.

4 (c) The travel is necessary to produce budgetary savings or to
5 increase state revenues, including protecting existing federal
6 funds or securing additional federal funds.

7 (d) The travel is necessary to comply with federal
8 requirements.

9 (e) The travel is necessary to secure specialized training for
10 staff that is not available within this state.

11 (f) The travel is financed entirely by federal or nonstate
12 funds.

13 (2) If out-of-state travel is necessary but does not meet 1 or
14 more of the conditions in subsection (1), the state budget director
15 may grant an exception to allow the travel. Any exceptions granted
16 by the state budget director shall be reported on a monthly basis
17 to the senate and house of representatives standing committees on
18 appropriations.

19 (3) Not later than January 1 of each year, each department
20 shall prepare a travel report listing all travel by classified and
21 unclassified employees outside this state in the immediately
22 preceding fiscal year that was funded in whole or in part with
23 funds appropriated in the department's budget. The report shall be
24 submitted to the chairs and members of the senate and house of
25 representatives standing committees on appropriations, the fiscal
26 agencies, and the state budget director. The report shall include
27 the following information:

1 (a) The name of each person receiving reimbursement for travel
2 outside this state or whose travel costs were paid by this state.

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

5 (d) A brief statement of the reason for each travel
6 occurrence.

7 (e) The transportation and related costs of each travel
8 occurrence, including the proportion funded with state general
9 fund/general purpose revenues, the proportion funded with state
10 restricted revenues, the proportion funded with federal revenues,
11 and the proportion funded with other revenues.

12 (f) A total of all out-of-state travel funded for the
13 immediately preceding fiscal year.

14 Sec. 226. The department shall not take disciplinary action
15 against an employee for communicating with a member of the
16 legislature or his or her staff.

17 Sec. 227. Sixty days prior to the public announcement of the
18 intention to sell any department property, the department shall
19 submit notification of that intent to the appropriate senate and
20 house appropriations subcommittees and the senate and house fiscal
21 agencies.

22 **HEADQUARTERS AND ARMORIES**

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

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

6 (2) The department shall make every effort to identify
7 alternative sources of revenue to replace the general fund/general
8 purpose funding provided in this article for the challenge program.

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

18 Sec. 304. The department will partner with the department of
19 human services to identify youth who may be eligible for the
20 challenge program from those youth served by department of human
21 services programs. These eligible youth shall be given priority for
22 enrollment in the program.

23 VETERANS SERVICE ORGANIZATIONS

24 Sec. 501. (1) Money appropriated in part 1 for grants to
25 veterans service organizations shall be used only for salaries,
26 wages, related personnel costs, training, and equipment for

1 accredited veteran service advocacy officers and necessary support
2 and managerial staff. Training shall be provided for service
3 advocacy officers and shall be conducted by accredited advocacy
4 officers.

5 (2) To receive a grant from the money appropriated in part 1,
6 a veterans service organization shall meet the following
7 eligibility requirements:

8 (a) Be congressionally chartered by the United States
9 congress.

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

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

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

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

1 (3) A veterans service organization receiving a grant from the
2 money appropriated in part 1 shall file with the department an
3 accounting of its expenditures, audited and certified by a
4 certified public accountant, within 120 days after the
5 organization's fiscal year end. Each organization shall provide a
6 detailed budget request for the fiscal year ending September 30,
7 2008 to the department by November 15, 2006. Each veterans service
8 organization shall provide 5 copies of a listing of all service
9 activity, an accounting of recoveries, and a listing of volunteer
10 hours for the fiscal year ending September 30, 2006 to the
11 department by January 31, 2007. The listing of volunteer hours
12 shall include the hours, services, and donations provided to
13 residents of the Grand Rapids veterans' home and the D.J. Jacobetti
14 veterans' home. Each veterans service organization shall provide a
15 copy of the most recent and completed internal revenue service form
16 990 to the department at the end of the fiscal year ending
17 September 30, 2006. A veterans service organization receiving a
18 grant from the money appropriated in part 1 shall use the forms
19 recommended by the Michigan veterans organizations rehabilitation
20 and veterans service committee for filing reports required by this
21 article. The department shall forward information required under
22 this section to the senate and house fiscal agencies, the senate
23 and house of representatives appropriations subcommittees on
24 military affairs, and the state budget office.

25 (4) The veterans service directors committee and the
26 department shall take steps to improve the coordination of veterans
27 benefits counseling in the state to maximize the effective and

1 efficient use of taxpayer dollars in this goal and to ensure that
2 every veteran is served.

3 (5) To accomplish the goal of subsection (4), the veterans
4 service directors committee and the department shall take steps to
5 increase their responsibility in the administration, management,
6 oversight, and outreach of the delivery of services to veterans.
7 The veterans service directors committee and the department shall
8 involve county veterans counselors and representatives from the
9 Michigan veterans trust fund to work in concert to identify,
10 implement, and evaluate steps to do all of the following:

11 (a) Increase the veterans service directors committee and the
12 department's role in working directly with the United States
13 department of veterans' affairs to enhance the delivery of services
14 to Michigan veterans.

15 (b) Increase the number of initial claims filed with the
16 United States department of veterans' affairs on behalf of veterans
17 for service-connected disability or pension benefits. The veterans
18 service directors committee and the department may work toward
19 either an absolute increase of approved claims or an increase in
20 the percentage of Michigan veterans with approved claims.

21 (c) Develop methods to increase rates of recovery paid by the
22 United States department of veterans' affairs to Michigan veterans
23 either by an increase in compensation paid per approved claim or
24 increase in compensation paid on a per capita basis.

25 (d) Expand training opportunities for veterans service
26 organization service officers.

27 (e) Increase either the number or percentage of Michigan

1 veterans enrolled in the VA healthcare system.

2 (f) Publicize the availability, benefit, and value of burial
3 in the Fort Custer and Great Lakes national cemeteries.

4 (g) Review each grant recipient's performance under the
5 program and require that performance be a major consideration in
6 the future funding of each grant recipient.

7 (6) The veterans service directors committee and the
8 department shall create a report of the efforts to complete the
9 goals outlined in this section and shall provide suggestions on how
10 a more effective and efficient veterans' benefits counseling
11 program may best be designed for implementation for fiscal year
12 2007-2008. This report shall be delivered to the house and senate
13 appropriations subcommittees no later than March 1, 2007.

14 VETERANS' HOMES

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

19 Sec. 602. The Grand Rapids veterans' home and the D.J.
20 Jacobetti veterans' home, together with the department and the
21 department of management and budget, shall produce and deliver to
22 the senate and house of representatives appropriations
23 subcommittees on state police and military affairs an annual
24 written report. The report shall include an accounting of member
25 populations and bed space available; a description and accounting
26 of services and activities provided to members; financial

1 information; current state nursing home licensure status; the steps
2 required for Medicaid certification, including a listing of any
3 personnel, equipment, supplies, or budgetary increases required;
4 and whether or not steps are being taken toward Medicaid
5 certification. The annual report shall be submitted to the senate
6 and house of representatives appropriations subcommittees on
7 military affairs no later than February 1, 2007.

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

13 VETERANS' TRUST FUND

14 Sec. 703. By April 1, 2007, the department shall submit to the
15 senate and house of representatives appropriations subcommittees on
16 military affairs and the state budget office a detailed annual
17 report of the Michigan veterans' trust fund for fiscal year 2005-
18 2006. The report shall include information on grants provided from
19 the emergency grant program, including details concerning the
20 methodology of allocations, the selection of emergency grant
21 program authorized agents, and a detailed breakdown of trust fund
22 expenditures for that year. The report shall also provide an update
23 on the department's efforts to reduce program administrative costs.

24 Sec. 704. The Michigan veterans affairs directorate
25 administration and the Michigan veterans' trust fund administration
26 shall take steps to assist the county veterans counselors of the

House Bill No. 5796 (H-2) as amended May 24, 2006

state to obtain training necessary for the execution of their
duties.

ARTICLE 15

NATURAL RESOURCES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article,
the amounts listed in this part are appropriated for the department
of natural resources for the fiscal year ending September 30, 2007,
from the funds indicated in this part. The following is a summary
of the appropriations in this part:

DEPARTMENT OF NATURAL RESOURCES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 2,086.4

GROSS APPROPRIATION..... \$ [288,442,200]

Interdepartmental grant revenues:

IDG, engineering services to work orders..... 1,904,700

IDG, MacMullan conference center revenue..... 1,446,400

IDG, land acquisition services to work orders..... 414,800

Total interdepartmental grants and intradepartmental

transfers 3,765,900

ADJUSTED GROSS APPROPRIATION..... \$ [284,676,300]

Federal revenues:

DAG, federal..... 7,237,800

1	DOC, federal.....	69,200
2	DOE, federal.....	1,000
3	DOI, federal.....	24,084,400
4	DOI, oil and gas royalty revenue.....	150,000
5	DOI, timber revenue.....	3,300,000
6	DHS, USCG.....	5,743,300
7	DOT, federal.....	2,100,000
8	EPA, federal.....	278,600
9	Total federal revenues.....	42,964,300
10	Special revenue funds:	
11	Private funds.....	1,625,100
12	Private - gift revenues.....	500,000
13	Total private revenues.....	2,125,100
14	Air photo fees - geographic information system.....	34,300
15	Aircraft fees.....	252,700
16	Cervidae licensing and inspection fees.....	95,700
17	Clean Michigan initiative fund.....	56,000
18	Clean Michigan initiative - clean water fund.....	249,000
19	Commercial forest fund.....	49,600
20	Forest recreation fund.....	1,439,500
21	Forest development fund.....	34,277,900
22	Forestland user charges.....	326,500
23	Game and fish protection fund.....	64,645,900
24	Game and fish protection fund - fisheries settlement .	964,700
25	Game and fish protection fund - deer habitat reserve .	2,565,400
26	Game and fish protection fund - turkey permit fees ...	1,751,600
27	Game and fish protection fund - waterfowl fees	106,100

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1	Game and fish - wildlife resource protection fund....	1,643,200
2	Game and fish protection fund - youth hunting and	
3	fishing education and outreach.....	27,700
4	Harbor development fund.....	290,100
5	Land exchange facilitation fund.....	6,086,700
6	Marine safety fund.....	4,716,000
7	Michigan civilian conservation corps endowment fund..	1,137,300
8	Michigan state parks endowment fund.....	12,974,000
9	Michigan state waterways fund.....	16,189,600
10	Michigan natural resources trust fund.....	3,095,000
11	Nongame wildlife fund.....	696,100
12	Off-road vehicle trail improvement fund.....	4,297,400
13	Park improvement fund.....	41,173,600
14	Publication revenue.....	900
15	Recreation improvement fund.....	1,463,200
16	Safety education fund.....	211,000
17	Shop fees.....	66,300
18	Snowmobile registration fee revenue.....	2,258,200
19	Snowmobile trail improvement fund.....	9,926,100
20	Sportsmen against hunger fund.....	250,000
21	Total other state restricted revenues.....	213,317,300
22	State general fund/general purpose.....	\$ [26,269,600]
23	Sec. 102. EXECUTIVE (RESOURCE CONSERVATION)	
24	Full-time equated unclassified positions.....	6.0
25	Full-time equated classified positions.....	45.6
26	Commission (including travel expense--per diem)	\$ 91,300
27	Unclassified salaries.....	416,500

1	Communications--33.6 FTE positions.....	3,615,700
2	Executive direction--12.0 FTE positions.....	2,158,000
3	Project F.I.S.H.....	<u>25,000</u>
4	GROSS APPROPRIATION.....	\$ 6,306,500
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG, MacMullan conference center revenue.....	23,100
8	Special revenue funds:	
9	Aircraft fees.....	500
10	Air photo fees - geographic information system.....	1,100
11	Forest development fund.....	324,700
12	Forestland user charges.....	6,500
13	Forest recreation fund.....	27,300
14	Game and fish protection fund.....	1,829,800
15	Game and fish protection fund - deer habitat reserve .	37,200
16	Game and fish protection fund - fisheries settlement .	10,200
17	Game and fish protection fund - turkey permit fees ...	15,900
18	Game and fish protection fund - waterfowl fees	900
19	Game and fish - wildlife resource protection fund....	15,600
20	Game and fish protection fund - youth hunting and	
21	fishing education and outreach.....	27,700
22	Harbor development fund.....	600
23	Land exchange facilitation fund.....	63,600
24	Marine safety fund.....	29,100
25	Michigan civilian conservation corps endowment fund..	2,600
26	Michigan natural resources trust fund.....	32,100
27	Michigan state parks endowment fund.....	130,100

1	Michigan state waterways fund.....		281,700
2	Nongame wildlife fund.....		11,000
3	Off-road vehicle trail improvement fund.....		23,400
4	Park improvement fund.....		2,404,500
5	Publications revenue.....		500
6	Recreation improvement fund.....		13,000
7	Snowmobile registration fee revenue.....		4,400
8	Snowmobile trail improvement fund.....		46,200
9	State general fund/general purpose.....	\$	943,200
10	Sec. 103. ADMINISTRATIVE SERVICES (RESOURCE		
11	CONSERVATION)		
12	Full-time equated classified positions.....	81.0	
13	Budget and support services--10.0 FTE positions.....	\$	1,006,700
14	Financial services--27.0 FTE positions.....		2,670,200
15	Grants administration--15.0 FTE positions.....		1,317,400
16	Human resources--21.0 FTE positions.....		2,163,600
17	Human resources optimization user charges.....		158,700
18	Internal audit--8.0 FTE positions.....		<u>849,200</u>
19	GROSS APPROPRIATION.....	\$	8,165,800
20	Appropriated from:		
21	Interdepartmental grant revenues:		
22	IDG, MacMullan conference center revenue.....		14,800
23	Federal revenues:		
24	DOI, federal.....		355,400
25	Special revenue funds:		
26	Aircraft fees.....		3,200
27	Air photo fees - geographic information system.....		3,500

1	Clean Michigan initiative fund.....	56,000
2	Commercial forest fund.....	1,800
3	Forest development fund.....	990,200
4	Forestland user charges.....	1,000
5	Forest recreation fund.....	81,100
6	Game and fish protection fund.....	1,595,200
7	Game and fish protection fund - deer habitat reserve .	53,800
8	Game and fish protection fund - fisheries settlement .	21,400
9	Game and fish protection fund - turkey permit fees ...	32,600
10	Game and fish protection fund - waterfowl fees	4,500
11	Game and fish - wildlife resource protection fund....	35,000
12	Harbor development fund.....	7,000
13	Land exchange facilitation fund.....	74,400
14	Marine safety fund.....	167,400
15	Michigan natural resources trust fund.....	811,000
16	Michigan state parks endowment fund.....	204,000
17	Michigan state waterways fund.....	470,400
18	Michigan civilian conservation corps endowment fund..	49,100
19	Nongame wildlife fund.....	23,100
20	Off-road vehicle trail improvement fund.....	68,600
21	Park improvement fund.....	1,498,200
22	Publication revenue.....	400
23	Recreation improvement fund.....	20,500
24	Safety education fund.....	2,500
25	Shop fees.....	400
26	Snowmobile registration fee revenue.....	99,700
27	Snowmobile trail improvement fund.....	238,100

1	State general fund/general purpose	\$	1,181,500
2	Sec. 104. LAND AND FACILITIES (RESOURCE		
3	CONSERVATION)		
4	Full-time equated classified positions.....	134.2	
5	Land and facilities--134.2 FTE positions	\$	<u>20,009,500</u>
6	GROSS APPROPRIATION.....	\$	20,009,500
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG, MacMullan conference center revenue		1,374,100
10	IDG, engineering services to work orders		1,904,700
11	IDG, land acquisition services to work orders		414,800
12	Special revenue funds:		
13	Aircraft fees.....		124,900
14	Forest development fund.....		1,766,400
15	Forestland user charges.....		13,100
16	Forest recreation fund.....		10,700
17	Game and fish protection fund.....		7,096,700
18	Land exchange facilitation fund.....		5,848,200
19	Marine safety fund.....		72,700
20	Michigan natural resources trust fund.....		5,600
21	Michigan state parks endowment fund.....		112,300
22	Michigan state waterways fund.....		295,200
23	Park improvement fund.....		535,500
24	Off-road vehicle trail improvement fund.....		23,100
25	Snowmobile trail improvement fund.....		65,200
26	State general fund/general purpose	\$	346,300
27	Sec. 105. DEPARTMENTAL OPERATION SUPPORT (RESOURCE		

1	CONSERVATION)		
2	Building occupancy charges.....	\$	2,111,100
3	Rent - privately owned property.....		515,000
4	Gifts and bequests.....		<u>500,000</u>
5	GROSS APPROPRIATION.....	\$	3,126,100
6	Appropriated from:		
7	Special revenue funds:		
8	Private - gift revenues.....		500,000
9	Forest development fund.....		882,500
10	Forest recreation fund.....		20,700
11	Game and fish protection fund.....		546,300
12	Game and fish protection fund - deer habitat reserve .		21,100
13	Game and fish protection fund - fisheries settlement .		6,800
14	Game and fish protection fund - turkey permit fees ...		20,200
15	Game and fish - wildlife resource protection fund....		7,600
16	Land exchange facilitation fund.....		13,000
17	Marine safety fund.....		34,500
18	Michigan state parks endowment fund.....		242,600
19	Michigan state waterways fund.....		180,100
20	Michigan natural resources trust fund.....		42,500
21	Snowmobile trail improvement fund.....		22,000
22	Park improvement fund.....		412,800
23	State general fund/general purpose.....	\$	173,400
24	Sec. 106. WILDLIFE MANAGEMENT (RESOURCE		
25	CONSERVATION)		
26	Full-time equated classified positions.....		195.7
27	Wildlife management--186.7 FTE positions.....	\$	27,172,300

1	Natural resources heritage--9.0 FTE positions	1,311,100
2	Cormorant population mitigation program	150,000
3	State game and wildlife area maintenance	<u>500,000</u>
4	GROSS APPROPRIATION	\$ 29,133,400
5	Appropriated from:	
6	Federal revenues:	
7	DAG, federal	100,400
8	DOI, federal	11,379,300
9	EPA, federal	1,000
10	Special revenue funds:	
11	Private funds	111,300
12	Cervidae licensing and inspection fees	95,700
13	Forest development fund	61,600
14	Game and fish protection fund	10,343,800
15	Game and fish protection fund - deer habitat reserve .	2,358,000
16	Game and fish protection fund - turkey permit fees ...	1,620,600
17	Game and fish protection fund - waterfowl fees	100,700
18	Nongame wildlife fund	622,600
19	Sportsmen against hunger fund	250,000
20	State general fund/general purpose	\$ 2,088,400
21	Sec. 107. FISHERIES MANAGEMENT (RESOURCE	
22	CONSERVATION)	
23	Full-time equated classified positions	225.0
24	Aquatic resource mitigation--3.0 FTE positions	\$ 899,400
25	Fisheries resource management--160.0 FTE positions ...	19,049,100
26	Fish production--62.0 FTE positions	<u>8,318,800</u>
27	GROSS APPROPRIATION	\$ 28,267,300

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1 Appropriated from:

2 Federal revenues:

3 DOE, federal.....	1,000
4 DOC, federal.....	51,700
5 DOI, federal.....	8,441,200
6 EPA, federal.....	160,100
7 Special revenue funds:	
8 Private funds.....	112,800
9 Clean Michigan initiative -- clean water fund.....	249,000
10 Game and fish protection fund - fisheries settlement .	898,400
11 Game and fish protection fund.....	18,353,100
12 State general fund/general purpose.....	\$ 0
13 Sec. 108. PARKS AND RECREATION (RESOURCE	
14 CONSERVATION, THRIVING ECONOMY)	
15 Full-time equated classified positions.....	794.9
16 State parks--628.4 FTE positions.....	\$ 45,663,600
17 State park improvement revenue bonds - debt service ..	1,119,600
18 [Island Lake shooting range dispute resolution.....	500,000]
19 Recreational boating--163.5 FTE positions.....	14,038,100
20 Michigan civilian conservation corps--3.0 FTE	
21 positions	<u>1,057,000</u>
22 GROSS APPROPRIATION.....	\$ [62,378,300]
23 Appropriated from:	
24 Federal revenues:	
25 EPA, federal.....	116,500
26 Special revenue funds:	
27 Private funds.....	352,300
28 Harbor development fund.....	277,000

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1	Michigan civilian conservation corps endowment fund..	1,057,000
2	Michigan state parks endowment fund.....	11,695,000
3	Michigan state waterways fund.....	13,761,100
4	Off-road vehicle trail improvement fund.....	235,500
5	Park improvement fund.....	34,383,900
6	State general fund/general purpose.....	\$ [500,000]
7	Sec. 109. FOREST, MINERAL, AND FIRE MANAGEMENT	
8	(RESOURCE CONSERVATION, THRIVING ECONOMY)	
9	Full-time equated classified positions.....	342.5
10	Forest and timber treatments--121.0 FTE positions....	\$ 16,116,500
11	Forest management planning--18.0 FTE positions.....	5,600,100
12	Adopt-a-forest program.....	25,000
13	Forest fire protection--133.5 FTE positions.....	10,838,100
14	Forest recreation and trails--33.0 FTE positions.....	4,978,600
15	Minerals management--17.3 FTE positions.....	2,145,400
16	Cooperative resource programs--10.5 FTE positions....	2,647,600
17	Forest management initiative--9.2 FTE positions.....	902,700
18	Forest fire equipment.....	<u>1,700,000</u>
19	GROSS APPROPRIATION.....	\$ 44,954,000
20	Appropriated from:	
21	Federal revenues:	
22	DAG, federal.....	2,312,400
23	DOI, federal.....	2,000
24	EPA, federal.....	1,000
25	Special revenue funds:	
26	Private funds.....	898,700
27	Aircraft fees.....	124,100

1	Air photo fees - geographic information system.....	26,300
2	Commercial forest fund.....	46,300
3	Forest recreation fund.....	1,176,200
4	Forest development fund.....	28,806,900
5	Forestland user charges.....	293,100
6	Game and fish protection fund.....	1,654,700
7	Michigan state waterways fund.....	374,000
8	Michigan natural resources trust fund.....	1,112,600
9	Michigan state parks endowment fund.....	548,700
10	Off-road vehicle trail improvement fund.....	399,600
11	Recreation improvement fund.....	313,000
12	Shop fees.....	65,900
13	Snowmobile trail improvement fund.....	2,147,600
14	State general fund/general purpose.....	\$ 4,650,900
15	Sec. 110. LAW ENFORCEMENT (RESOURCE CONSERVATION)	
16	Full-time equated classified positions.....	267.5
17	Wildlife resource protection and enforcement dispatch-	
18	-10.0 FTE positions	\$ 1,644,700
19	General law enforcement--257.5 FTE positions	<u>29,909,300</u>
20	GROSS APPROPRIATION.....	\$ 31,554,000
21	Appropriated from:	
22	Federal revenues:	
23	DOC, federal.....	17,500
24	DOI, federal.....	1,239,600
25	DHS, USCG.....	4,273,300
26	Special revenue funds:	
27	Forest recreation fund.....	57,500

1	Game and fish - wildlife resource protection fund....		1,529,700
2	Game and fish protection fund.....		18,213,200
3	Marine safety fund.....		1,521,900
4	Off-road vehicle trail improvement fund.....		1,189,800
5	Safety education fund.....		58,500
6	Park improvement fund.....		239,900
7	Snowmobile registration fee revenue.....		980,900
8	State general fund/general purpose.....	\$	2,232,200
9	Sec. 111. PAYMENTS IN LIEU OF TAXES (EFFECTIVE		
10	GOVERNMENT)		
11	Swamp and tax reverted lands.....	\$	7,071,500
12	Purchased lands.....		5,400,000
13	Special payment to counties.....		170,000
14	Commercial forest reserve.....		<u>2,662,600</u>
15	GROSS APPROPRIATION.....	\$	15,304,100
16	Appropriated from:		
17	Special revenue funds:		
18	Game and fish protection fund.....		2,040,000
19	Michigan natural resources trust fund.....		520,000
20	Michigan state waterways fund.....		140,000
21	State general fund/general purpose.....	\$	12,604,100
22	Sec. 112. GRANTS (RESOURCE CONSERVATION, EFFECTIVE		
23	GOVERNMENT, SAFETY		
24	Grant to counties - marine safety.....	\$	4,275,000
25	Federal - land and water conservation fund payments..		2,566,900
26	Federal - forest stewardship grants.....		625,000
27	Federal - urban forestry grants.....		4,000,000

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1	Federal - rural community fire protection.....	300,000
2	Federal - clean vessel act grants.....	100,000
3	Grants to communities - federal oil, gas, and timber	
4	payments	3,450,000
5	Recreation improvement fund grants.....	1,100,000
6	[Grant to Jackson county - Cascades park]	500,000]
6	Snowmobile local grants program.....	7,314,000
7	Snowmobile law enforcement grants.....	1,142,000
8	Off-road vehicle safety training grants.....	150,000
9	Off-road vehicle trail improvement grants.....	2,357,400
10	National recreational trails.....	2,150,000
11	Game and nongame wildlife fund grants.....	10,000
12	Inland fisheries resources grants.....	<u>200,000</u>
13	GROSS APPROPRIATION.....	\$ 29,740,300
14	Appropriated from:	
15	Federal revenues:	
16	DAG, federal.....	4,825,000
17	DHS, USCG.....	1,470,000
18	DOI, federal.....	2,666,900
19	DOI, federal oil and gas royalty revenue.....	150,000
20	DOI, federal timber revenue.....	3,300,000
21	DOT, federal.....	2,100,000
22	Special revenue funds:	
23	Private funds.....	150,000
24	Game and fish protection fund.....	200,000
25	Marine safety fund.....	2,805,000
26	Nongame wildlife fund.....	10,000
27	Off-road vehicle trail improvement fund.....	2,357,400

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1	Recreation improvement fund.....	1,100,000
2	Safety education fund.....	150,000
3	Snowmobile registration fee revenue.....	1,142,000
4	Snowmobile trail improvement fund.....	7,314,000
5	State general fund/general purpose.....	\$ [500,000]
6	Sec. 113. INFORMATION TECHNOLOGY	
7	Information technology services and projects.....	\$ <u>9,002,900</u>
8	GROSS APPROPRIATION.....	\$ 9,002,900
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG, MacMullan conference center revenue.....	34,400
12	Special revenue funds:	
13	Air photo fees - geographic information system.....	3,400
14	Commercial forest fund.....	1,500
15	Forest development fund.....	1,445,600
16	Forestland user charges.....	12,800
17	Forest recreation fund.....	66,000
18	Game and fish protection fund.....	2,773,100
19	Game and fish protection fund - deer habitat reserve .	95,300
20	Game and fish protection fund - fisheries settlement .	27,900
21	Game and fish protection fund - turkey permit fees...	62,300
22	Game and fish - wildlife resource protection fund....	55,300
23	Harbor development fund.....	5,500
24	Land exchange facilitation fund.....	87,500
25	Marine safety fund.....	85,400
26	Michigan civilian conservation corps endowment fund..	28,600
27	Michigan natural resources trust fund.....	571,200

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1	Michigan state parks endowment fund.....	41,300
2	Michigan state waterways fund.....	687,100
3	Nongame wildlife fund.....	29,400
4	Park improvement fund.....	1,698,800
5	Recreation improvement fund.....	16,700
6	Snowmobile registration fee revenue.....	31,200
7	Snowmobile trail improvement fund.....	93,000
8	State general fund/general purpose..... \$	1,049,600

9 PART 2

10 PROVISIONS CONCERNING APPROPRIATIONS

11 GENERAL SECTIONS

12 Sec. 201. Pursuant to section 30 of article IX of the state
 13 constitution of 1963, total state spending from state resources
 14 under part 1 for fiscal year 2006-2007 is [\$239,586,900.00] and state
 15 spending from state resources to be paid to local units of
 16 government for fiscal year 2006-2007 is [\$29,682,500.00]. The
 17 itemized statement below identifies appropriations from which
 18 spending to local units of government will occur:

19 DEPARTMENT OF NATURAL RESOURCES

20 PAYMENTS IN LIEU OF TAXES

21	Commercial forest reserves.....	\$	2,662,600
22	Purchased lands.....		5,400,000
23	Special payments to counties.....		170,000
24	Swamp and tax reverted lands.....		7,071,500

25 GRANTS

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1	Grants to counties - marine safety.....	\$	2,805,000
	[Grant to Jackson County - Cascades park		500,000]
2	Off-road vehicle safety training grants.....		150,000
3	Off-road vehicle trail improvement grants.....		2,357,400
4	Recreation improvement fund grants.....		110,000
5	Snowmobile law enforcement grants.....		1,142,000
6	Snowmobile local grants program.....		<u>7,314,000</u>
7	TOTAL.....	\$	[29,682,500]

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

11 Sec. 203. As used in this article:

12 (a) "Commission" means the commission of natural resources.

13 (b) "DAG" means the United States department of agriculture.

14 (c) "Department" means the department of natural resources.

15 (d) "DHS" means the United States department of homeland
 16 security.

17 (e) "DOC" means the United States department of commerce.

18 (f) "DOE" means the United States department of energy.

19 (g) "DOI" means the United States department of interior.

20 (h) "DOT" means the United States department of
 21 transportation.

22 (i) "EPA" means the United States environmental protection
 23 agency.

24 (j) "FTE" means full-time equated.

25 (k) "IDG" means interdepartmental grant.

26 (l) "USCG" means the United States coast guard.

27 Sec. 204. The department of civil service shall bill

1 departments and agencies at the end of the first fiscal quarter for
2 the 1% charge authorized by section 5 of article XI of the state
3 constitution of 1963. Payments shall be made for the total amount
4 of the billing by the end of the second fiscal quarter.

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

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

23 Sec. 206. The department shall use the Internet to fulfill the
24 reporting requirements of this article. This may include
25 transmission of reports via electronic mail to the recipients
26 identified for each reporting requirement or it may include
27 placement of reports on an Internet or Intranet site.

1 Sec. 207. Within 14 days after the release of the executive
2 budget recommendation, the department shall provide the state
3 budget director, the senate and house appropriations subcommittees
4 on natural resources, and the senate and house fiscal agencies with
5 an annual report on estimated restricted fund balances, projected
6 revenues, and expenditures for the fiscal years ending September
7 30, 2006 and September 30, 2007.

8 Sec. 208. (1) From the funds appropriated under part 1, the
9 department shall prepare a report that lists all of the following
10 regarding grant, loan, or grant and loan programs administered by
11 the department for the fiscal year ending on September 30, 2007:

12 (a) The name of each program.

13 (b) The goals, criteria, filing fees, nominating procedures,
14 eligibility requirements, processes, and deadlines for each
15 program.

16 (c) The maximum and minimum grant and loan available and
17 whether there is a match requirement for each program.

18 (d) The amount of any required match, and whether in-kind
19 contributions may be used as part or all of a required match.

20 (e) Information pertaining to the application process,
21 timeline for each program, and the contact people within the
22 department.

23 (f) The source of funds for each program, including the
24 citation of pertinent authorizing articles.

25 (g) Information regarding plans for the next fiscal year for
26 the phaseout, expansion, or changes for each program.

27 (h) A listing of all recipients of grants or loans awarded by

the department by type and amount of grant or loan during the fiscal year ending September 30, 2006.

(2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2007.

Sec. 209. Appropriations of state restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation articles. The amounts appropriated to these departments and agencies are listed below:

Department of civil service.....	\$	409,100
History, arts, and libraries.....		2,400
Legislative auditor general.....		21,400
Attorney general.....		740,800
Department of management and budget.....		259,100
Department of treasury.....		11,700

Sec. 211. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection fund, \$6,000,000.00 for the fiscal year ending September 30, 2007.

Sec. 212. From the funds appropriated in part 1 for information technology, departments and agencies 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.

1 Sec. 213. Amounts appropriated in part 1 for information
2 technology may be designated as work projects and carried forward
3 to support technology projects under the direction of the
4 department of information technology. Funds designated in this
5 manner are not available for expenditure until approved as work
6 projects under section 451a of the management and budget act, 1984
7 PA 431, MCL 18.1451a.

8 Sec. 214. (1) Due to the current budgetary problems in this
9 state, out-of-state travel for the fiscal year ending September 30,
10 2007 shall be limited to situations in which 1 or more of the
11 following conditions apply:

12 (a) The travel is required by legal mandate or court order or
13 for law enforcement purposes.

14 (b) The travel is necessary to protect the health or safety of
15 Michigan citizens or visitors or to assist other states in similar
16 circumstances.

17 (c) The travel is necessary to produce budgetary savings or to
18 increase state revenues, including protecting existing federal
19 funds or securing additional federal funds.

20 (d) The travel is necessary to comply with federal
21 requirements.

22 (e) The travel is necessary to secure specialized training for
23 staff that is not available within this state.

24 (f) The travel is financed entirely by federal or nonstate
25 funds.

26 (2) If out-of-state travel is necessary but does not meet 1 or
27 more of the conditions in subsection (1), the state budget director

1 may grant an exception to allow the travel. Any exceptions granted
2 by the state budget director shall be reported on a monthly basis
3 to the house and senate appropriations committees.

4 (3) Not later than January 1 of each year, each department
5 shall prepare a travel report listing all travel by classified and
6 unclassified employees outside this state in the immediately
7 preceding fiscal year that was funded in whole or in part with
8 funds appropriated in the department's budget. The report shall be
9 submitted to the chairs and members of the house and senate
10 appropriations committees, the fiscal agencies, and the state
11 budget director. The report shall include the following
12 information:

13 (a) The name of each person receiving reimbursement for travel
14 outside this state or whose travel costs were paid by this state.

15 (b) The destination of each travel occurrence.

16 (c) The dates of each travel occurrence.

17 (d) A brief statement of the reason for each travel
18 occurrence.

19 (e) The transportation and related costs of each travel
20 occurrence, including the proportion funded with state general
21 fund/general purpose revenues, the proportion funded with state
22 restricted revenues, the proportion funded with federal revenues,
23 and the proportion funded with other revenues.

24 (f) A total of all out-of-state travel funded for the
25 immediately preceding fiscal year.

26 Sec. 215. Funds appropriated in part 1 shall not be used for
27 the purchase of foreign goods or services, or both, if

1 competitively priced and comparable quality American goods or
2 services, or both, are available. Preference should be given to
3 goods or services, or both, manufactured or provided by Michigan
4 businesses if they are competitively priced and of comparable
5 quality.

6 Sec. 216. The department shall not take disciplinary action
7 against an employee for communicating with a member of the
8 legislature or his or her staff.

9 Sec. 217. The director shall take all reasonable steps to
10 ensure businesses in deprived and depressed communities and Baldwin
11 in Lake County compete for and perform contracts to provide
12 services or supplies, or both. The director shall strongly
13 encourage firms with which the department contracts to subcontract
14 with certified businesses in depressed and deprived communities for
15 services, supplies, or both.

16 Sec. 218. The department shall develop a plan for allocating
17 restricted funds among department administrative support and
18 regulatory activities. This plan shall be submitted to the house
19 and senate appropriations subcommittees on natural resources by
20 January 30, 2007. This plan shall include a cost allocation plan
21 for financial services support, office space rent and building
22 occupancy charges, and support division service for information
23 systems and technology and a methodology to use information
24 generated through activity reports that identifies the percentage
25 of employee time spent on restricted fund activities.

26 EXECUTIVE

1 Sec. 301. The amount appropriated in part 1 for Project
2 F.I.S.H. is a grant to that organization. The department shall
3 collaborate with Project F.I.S.H. to increase the number of anglers
4 in Michigan through the continuation and expansion of Project
5 F.I.S.H. By January 31, 2007, the department shall provide to the
6 state budget director, the senate and house appropriation
7 subcommittees on natural resources, and the senate and house fiscal
8 agencies a cost-benefit analysis of the effectiveness of these
9 efforts.

10 ADMINISTRATIVE SERVICES

11 Sec. 401. The department may charge the appropriations
12 contained in part 1, including all special maintenance and capital
13 projects appropriated for the fiscal year ending September 30,
14 2007, for engineering services provided, a standard percentage fee
15 to recover actual costs. The department may use the revenue derived
16 to support the engineering services charges provided for in part 1.

17 Sec. 402. The department may charge land acquisition projects
18 appropriated for the fiscal year ending September 30, 2007, and for
19 prior fiscal years, a standard percentage fee to recover actual
20 costs, and may use the revenue derived to support the land
21 acquisition service charges provided for in part 1.

22 Sec. 403. The department may charge both application fees and
23 transaction fees related to the exchange or sale of state-owned
24 land or rights in land authorized by part 21 of the natural
25 resources and environmental protection act, 1994 PA 451, MCL
26 324.2101 to 324.2162. The fees shall be set by the director at a

1 rate which allows the department to recover its costs for providing
2 these services.

3 Sec. 404. The department shall prominently display in a
4 prominent place in the fishing guide provided to each licensed
5 fisher and paid for from the funds appropriated in part 1, the
6 website address for the department of community health. In
7 addition, the fishing guide shall include information on
8 alternative sources where interested parties without Internet
9 access may find information on fish advisories issued by the
10 department of community health.

11 Sec. 405. Within 21 days after the end of each fiscal quarter,
12 the department shall submit to the senate and house appropriations
13 subcommittees on natural resources a report on all land
14 transactions completed by the department in the previous fiscal
15 quarter. For each land transaction, the report shall include, but
16 not be limited to, the size of the parcel, the county and
17 municipality in which the parcel is located, the dollar amount of
18 the transaction, the fund source affected by the transaction, and
19 the type of transaction, such as purchase, public auction,
20 transfer, exchange, or conveyance.

21 **WILDLIFE MANAGEMENT**

22 Sec. 501. Of the funds appropriated in part 1, the department
23 shall reimburse the department of agriculture for costs incurred
24 for indemnification payments for livestock losses caused by wolves
25 or coyotes under the animal industry act, 1988 PA 466, MCL 287.701
26 to 287.745.

1 Sec. 502. The appropriation in part 1 for cormorant control
2 shall be used to contract with the United States department of
3 agriculture-wildlife services agency to provide for additional
4 control activities in areas of the state most affected by the
5 double-crested cormorant.

6 Sec. 503. By September 30, 2007, the department shall submit
7 to the state budget director, the chairs of the senate and house
8 appropriations subcommittees on natural resources, and the senate
9 and house fiscal agencies a report on the population of bobcats in
10 the Lower Peninsula of the state and the impact of bobcat harvest
11 on the population. The department and the commission are urged to
12 prohibit the trapping of bobcats in the Lower Peninsula until the
13 report is released.

14 **FISHERIES MANAGEMENT**

15 Sec. 601. As a condition of expenditure of fisheries
16 management appropriations under part 1, the department shall not
17 impede the certification process for water control structures on
18 Michigan waterways. The department shall fund from funds
19 appropriated in part 1 all non-water-quality studies or
20 requirements that the department requests of either of the
21 following:

22 (a) The department of environmental quality as a condition for
23 issuance of a certification under the federal water pollution
24 control act, 33 USC 1341.

25 (b) The federal energy regulatory commission as a condition of
26 licensing under the federal power act, 16 USC 791a to 825r.

1 Sec. 602. (1) From the appropriation in part 1 for aquatic
2 resource mitigation, not more than \$758,000.00 shall be allocated
3 for grants to watershed councils, resource development councils,
4 soil conservation districts, local governmental units, and other
5 nonprofit organizations for stream habitat stabilization and soil
6 erosion control.

7 (2) The fisheries division of the department shall develop
8 priority and cost estimates for all recommended projects.

9 Sec. 603. From the funds appropriated in part 1 for fisheries
10 resources management, \$249,000.00 is provided for preparation
11 activities for removal, including engineering projects, and the
12 removal of the Otsego, Plainwell, and Trowbridge dams on the
13 Kalamazoo River. This shall not preclude the department from
14 pursuing cost recovery for dam removal costs from responsible
15 parties, and, in the event that the department recovers funds from
16 responsible parties at these locations, the department shall
17 restore funding.

18 PARKS AND RECREATION

19 Sec. 701. Pursuant to section 1902(2) of the natural resources
20 and environmental protection act, 1994 PA 451, MCL 324.1902, there
21 is appropriated from the Michigan natural resources trust fund to
22 the Michigan state parks endowment fund an amount not to exceed
23 \$10,000,000.00 for the fiscal year ending September 30, 2007.

24 Sec. 702. (1) The department shall prepare detailed reports
25 for construction projects in state parks that will involve campsite
26 or campground closures. These reports shall include expected costs,

1 impacts on recreation opportunities, impacts on state park
2 revenues, and the expected impact on state park users. The
3 department shall also prepare reports on average monthly campground
4 occupancy rates for every state park during the previous summer
5 season. The department shall provide reports described in this
6 subsection to the house and senate appropriations subcommittees on
7 natural resources and the house and senate fiscal agencies not
8 later than April 1, 2007.

9 (2) The department shall notify the house and senate
10 appropriations subcommittees on natural resources and the house and
11 senate fiscal agencies if it intends to reduce operations or reduce
12 recreation opportunities at any state park or recreation area.

13 Sec. 703. From the funds appropriated in part 1, the
14 department shall maintain an appropriate number of defibrillators
15 in state parks. State parks shall accept donations of
16 defibrillators.

17 Sec. 704. By September 30, 2007, the department shall report
18 to the senate and house appropriations subcommittees on natural
19 resources and the senate and house fiscal agencies any misuse of
20 complimentary or discounted day passes at state recreational
21 facilities during the 2006-2007 fiscal year.

22 Sec. 705. The department shall not alter or halt operations of
23 the ski hill or demolish buildings related to the ski hill, the
24 assistant manager residence, the 3-unit apartment building, or the
25 carpenter's shop and garage in Porcupine Mountains wilderness state
26 park. The department shall collaborate with travel Michigan for the
27 marketing and promotion of the ski hill.

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1 Sec. 706. From the funds appropriated in part 1, the
2 department shall direct \$45,000.00 to Mitchell state park for
3 Eurasian water milfoil control activities on Lake Cadillac.

4 Sec. 707. From the funds appropriated in part 1, the
5 department shall work with the Michigan state waterways commission
6 to develop both a short-term and a long-term plan to improve public
7 boating access throughout the state. By July 1, 2007, the
8 department shall submit the plans to the state budget director, the
9 senate and house appropriation subcommittees on natural resources,
10 and the senate and house fiscal agencies.

[Sec. 709. The appropriation in section 108 for dispute resolution
- Island Lake shooting range is available to pay for expenses necessary
to follow recommendations of an adjudicating body to resolve use
conflicts at Island Lake state park.]

11 **FOREST, MINERAL, AND FIRE MANAGEMENT**

12 Sec. 801. In addition to the funds appropriated in part 1,
13 \$350,000.00 is appropriated to cover costs related to any declared
14 emergency involving the collapse of any abandoned mine shaft
15 located on state land. This appropriation shall not be expended
16 unless the state budget director recommends the expenditure and the
17 department notifies the house and senate committees on
18 appropriations.

19 Sec. 802. As a condition of expenditure of appropriations in
20 part 1 from forest development funds, on October 15, 2006 the
21 department shall provide \$1,000,000.00 from cooperative resources
22 programs as an interdepartmental grant to the department of
23 agriculture for the cooperative resources management initiative
24 program for the purposes of supporting forestry programs in local
25 conservation districts.

26 Sec. 803. From the funds appropriated in part 1, the

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1 department shall develop 2 motorized snowmobile trails: one
2 connecting the village of Bellaire to the Jordan River trail, and
3 the other connecting Gaylord and Cheboygan. By January 1, 2007, the
4 department shall provide a status report on the trail to the senate
5 and house appropriations subcommittees on natural resources and the
6 senate and house fiscal agencies.

[Sec. 804. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe appropriate treatment on not less than 63,000 acres at the current average rate of 12.5 to 13 cords per acre, and put those cords up for sale in 2007, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2005 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues.]

Sec. 806. The department shall accept donations for trail development if the donation is for at least \$950,000.00 and the sole condition for the donation is a dedication to a person or group.]

7 **LAW ENFORCEMENT**

8 Sec. 901. The appropriation in part 1 for snowmobile law
9 enforcement grants shall be used to provide grants to county law
10 enforcement agencies to enforce part 821 of the natural resources
11 and environmental protection act, 1994 PA 451, MCL 324.82101 to
12 324.82160, including rules promulgated under that part and
13 ordinances enacted pursuant to that part. The department shall
14 consider the number of enforcement hours and the number of miles of
15 snowmobile trails in each county in allocating these grants. Any
16 funds not distributed to counties revert back to the snowmobile
17 registration fee fund created under section 82111 of the natural
18 resources and environmental protection act, 1994 PA 451, MCL
19 324.82111. Counties shall provide semiannual reports to the
20 department.

21 PAYMENTS IN LIEU OF TAXES

22 Sec. 1001. From the funds appropriated in part 1 for special
23 payment to counties, \$170,000.00 shall be used to replace a loss of
24 revenue to a county with a fiscal year ending September 30, 2007,
25 caused by a single annual statement and billing for payments in

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1 lieu of taxes authorized under sections 2153 and 2154 of the
2 natural resources and environmental protection act, 1994 PA 451,
3 MCL 324.2153 and 324.2154, and as a result of revenue due for set
4 aside to the revenue sharing reserve fund generated by county
5 allocated millage as authorized under section 44a of the general
6 property tax act, 1893 PA 206, MCL 211.44a.

7 GRANTS

8 Sec. 1101. Federal pass-through funds to local institutions
9 and governments that are received in amounts in addition to those
10 included in part 1 for grants to communities - federal oil, gas,
11 and timber payments and that do not require additional state
12 matching funds are appropriated for the purposes intended. By
13 November 30, 2006, the department shall report to the senate and
14 house appropriations subcommittees on natural resources, the senate
15 and house fiscal agencies, and the state budget director on all
16 amounts appropriated under this section during the fiscal year
17 ending September 30, 2006.

18 Sec. 1102. The use of federal funding received by the state
19 from the land and water conservation fund and appropriated in part
20 1 shall be coordinated with state grants to local units of
21 government from the Michigan natural resources trust fund. The
22 coordination of the 2 funding sources shall be conducted in a
23 manner that minimizes the total matching funds required from local
24 units of government for local land acquisition or recreational
25 development projects.

[Sec. 1103. The grant to Jackson County - Cascades park is
contingent on the availability of \$500,000.00 matching funds.]

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1 ARTICLE 17
 2 STATE POLICE
 3 PART 1
 4 LINE-ITEM APPROPRIATIONS

5 Sec. 101. Subject to the conditions set forth in this article,
 6 the amounts listed in this part are appropriated for the department
 7 of state police for the fiscal year ending September 30, 2007, from
 8 the funds indicated in this part. The following is a summary of the
 9 appropriations in this part:

10 **DEPARTMENT OF STATE POLICE**

11 APPROPRIATION SUMMARY:

12 Full-time equated unclassified positions..... 3.0

13 Full-time equated classified positions..... 2,900.0

14 GROSS APPROPRIATION..... \$ [570,496,800]

15 Interdepartmental grant revenues:

16 Total interdepartmental grants and intradepartmental

17 transfers 22,642,400

18 ADJUSTED GROSS APPROPRIATION..... \$ [547,854,400]

19 Federal revenues:

20 Total federal revenues..... 169,013,300

21 Special revenue funds:

22 Total local revenues..... 8,088,900

23 Total private revenues..... 80,300

24 Total other state restricted revenues..... 111,373,200

25 State general fund/general purpose..... \$ [259,298,700]

26 **Sec. 102. EXECUTIVE DIRECTION (SAFETY)**

1	Full-time equated unclassified positions.....	3.0	
2	Full-time equated classified positions.....	39.0	
3	Unclassified positions.....		\$ 238,300
4	Executive direction--34.0 FTE positions.....		3,720,400
5	Auto theft prevention program--5.0 FTE positions.....		<u>10,729,400</u>
6	GROSS APPROPRIATION.....		\$ 14,688,100
7	Appropriated from:		
8	Special revenue funds:		
9	Auto theft prevention fund.....		10,729,400
10	State general fund/general purpose.....		\$ 3,958,700
11	Sec. 103. DEPARTMENTWIDE APPROPRIATIONS (SAFETY)		
12	Special maintenance and utilities.....		\$ 447,600
13	Rent and building occupancy charges.....		9,039,600
14	Worker's compensation.....		2,917,000
15	Fleet leasing.....		13,919,200
16	In-service training.....		850,000
17	Narcotics investigation funds.....		<u>265,000</u>
18	GROSS APPROPRIATION.....		\$ 27,438,400
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	IDT, Michigan justice training fund.....		850,000
22	IDG, training academy charges.....		255,200
23	Federal revenues:		
24	DOT.....		22,700
25	DHS.....		10,400
26	Federal narcotics investigation revenues.....		95,000
27	Special revenue funds:		

1	Forensic science reimbursement fees	90,600
2	State forensic laboratory fund	90,600
3	Criminal justice information center service fees	179,500
4	Secondary road patrol and training fund	2,900
5	Hazardous materials training center fees	73,500
6	Michigan justice training fund	5,800
7	Motor carrier fees	6,700
8	Highway safety fund	7,200
9	Traffic law enforcement and safety fund	14,200
10	Narcotics investigation revenues	170,000
11	State general fund/general purpose	\$ 25,564,100
12	Sec. 104. SUPPORT SERVICES (SAFETY)	
13	Full-time equated classified positions	208.0
14	Human resources--26.0 FTE positions	\$ 2,254,800
15	Human resources optimization user charges	173,600
16	Management services--112.0 FTE positions	11,910,800
17	Training administration--37.0 FTE positions	5,638,800
18	Communications--8.0 FTE positions	3,171,500
19	Budget and financial services--25.0 FTE positions	<u>2,180,600</u>
20	GROSS APPROPRIATION	\$ 25,330,100
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDT, truck safety fund	4,900
24	IDT, auto theft funds	25,800
25	IDG-MDOT, state trunkline fund	34,600
26	IDG, training academy charges	3,121,100
27	IDG-MDTR, casino gaming fees	33,400

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1	IDG-MDTR, emergency telephone fund coordinator	411,200
2	IDG-MDTR, emergency telephone fund operations	411,200
3	IDG-MDOC, contract	1,039,600
4	Federal revenues:	
5	DOT	205,600
6	Special revenue funds:	
7	Local - LEIN fees	248,900
8	Highway safety fund	137,700
9	Auto theft prevention fund	4,900
10	Precision driving track fees	287,100
11	Criminal justice information center service fees	411,900
12	Reimbursed services	1,326,800
13	Traffic law enforcement and safety fund	237,800
14	Motor carrier fees	170,100
15	Forensic science reimbursement fee	30,200
16	Nuclear plant emergency planning reimbursement	3,400
17	State general fund/general purpose	\$ 17,183,900
18	Sec. 105. HIGHWAY SAFETY PLANNING (MOBILITY,	
19	SAFETY)	
20	Full-time equated classified positions	26.0
21	State program planning and administration--14.0 FTE	
22	positions	\$ 1,227,200
23	Grants to local governments and nonprofit	
24	organizations	4,500,000
25	Secondary road patrol program--2.0 FTE positions	[15,524,700]
26	Truck safety program--2.0 FTE positions	2,996,300
27	Highway traffic safety coordination--8.0 FTE positions	<u>6,089,800</u>

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1	GROSS APPROPRIATION.....	\$	[30,338,000]
2	Appropriated from:		
3	Federal revenues:		
4	DOT.....		10,707,300
5	DOJ.....		573,200
6	Special revenue funds:		
7	Truck driver safety fund.....		2,996,300
8	Secondary road patrol and training fund.....		14,024,700
9	State general fund/general purpose.....	\$	[2,036,500]
10	Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER		
11	(SAFETY)		
12	Full-time equated classified positions.....	94.0	
13	Criminal justice information center division--77.0 FTE		
14	positions	\$	10,679,600
15	Criminal records improvement--1.0 FTE position.....		4,745,600
16	Traffic safety--16.0 FTE positions.....		<u>2,781,400</u>
17	GROSS APPROPRIATION.....	\$	18,206,600
18	Appropriated from:		
19	Interdepartmental grant revenues:		
20	IDG-MDOS.....		320,900
21	IDG-MDOT, state trunkline fund.....		467,400
22	Federal revenues:		
23	DOJ.....		4,745,600
24	DOT.....		1,436,600
25	Special revenue funds:		
26	Traffic crash revenue.....		76,400
27	Criminal justice information center service fees		9,933,900

1	Sex offender registration fund.....		264,000
2	State general fund/general purpose.....	\$	961,800
3	Sec. 107. FORENSIC SCIENCES (SAFETY)		
4	Full-time equated classified positions.....	220.0	
5	Laboratory operations--180.0 FTE positions.....	\$	19,093,000
6	DNA analysis program--40.0 FTE positions.....		<u>8,836,900</u>
7	GROSS APPROPRIATION.....	\$	27,929,900
8	Appropriated from:		
9	Federal revenues:		
10	DOJ.....		3,674,400
11	Special revenue funds:		
12	Forensic science reimbursement fees.....		2,258,800
13	State forensic laboratory fund.....		1,766,300
14	State general fund/general purpose.....	\$	20,230,400
15	Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT		
16	STANDARDS (PREPARED FOR JOBS, SAFETY, VULNERABLE)		
17	Full-time equated classified positions.....	28.0	
18	Standards and training--22.0 FTE positions.....	\$	2,138,200
19	Training only to local units--2.0 FTE positions.....		845,700
20	Concealed weapons enforcement training.....		140,000
21	Officer's survivor tuition program.....		48,500
22	Public safety officers benefit program.....		150,000
23	Justice training grants--4.0 FTE positions.....		<u>9,096,200</u>
24	GROSS APPROPRIATION.....	\$	12,418,600
25	Appropriated from:		
26	Federal revenues:		
27	DOJ.....		180,600

1	Special revenue funds:	
2	Secondary road patrol and training fund.....	845,700
3	Concealed weapons enforcement fee.....	140,000
4	Michigan justice training fund.....	9,218,000
5	Licensing fees.....	5,200
6	State general fund/general purpose.....	\$ 2,029,100
7	Sec. 109. EMERGENCY MANAGEMENT (SAFETY)	
8	Full-time equated classified positions..... 72.0	
9	Emergency management planning and administration--55.0	
10	FTE positions	\$ 4,614,900
11	Grants to local government.....	2,482,100
12	FEMA program assistance--3.0 FTE positions.....	1,012,100
13	Nuclear power plant emergency planning--6.0 FTE	
14	positions	1,288,900
15	Hazardous materials transportation--1.0 FTE position .	583,800
16	Hazardous materials programs--7.0 FTE positions	<u>121,753,200</u>
17	GROSS APPROPRIATION.....	\$ 131,735,000
18	Appropriated from:	
19	Federal revenues:	
20	DOT.....	583,800
21	DHS.....	126,395,800
22	Special revenue funds:	
23	Nuclear plant emergency planning reimbursement	1,288,900
24	Hazardous materials training center fees	1,389,200
25	State general fund/general purpose.....	\$ 2,077,300
26	Sec. 110. POST UNIFORM SERVICES (SAFETY)	
27	Full-time equated classified positions..... 1,580.0	

1	Uniform services--424.0 FTE positions	\$	43,430,000
2	Security guards--15.0 FTE positions		1,054,700
3	Reimbursed services		1,628,000
4	At-post troopers--1,141.0 FTE positions		<u>131,402,300</u>
5	GROSS APPROPRIATION	\$	177,515,000
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG-MDMB, building occupancy charges		648,400
9	Federal revenues:		
10	DOJ		723,300
11	Special revenue funds:		
12	Highway safety fund		15,451,400
13	State police service fees		1,628,000
14	Traffic law enforcement and safety fund		29,303,000
15	State general fund/general purpose	\$	129,760,900
16	Sec. 111. STATEWIDE FIELD OPERATIONS (SAFETY)		
17	Full-time equated classified positions	49.0	
18	Operational support--34.0 FTE positions	\$	3,178,600
19	Traffic services--10.0 FTE positions		3,741,000
20	Aviation program--5.0 FTE positions		<u>1,143,100</u>
21	GROSS APPROPRIATION	\$	8,062,700
22	Appropriated from:		
23	Interdepartmental grant revenues:		
24	IDG-MDOC, contract		93,000
25	Federal revenues:		
26	DOT		1,760,100
27	Special revenue funds:		

1	Private donations.....		80,300
2	Rental of department aircraft.....		175,900
3	Drunk driving prevention and training fund.....		1,265,000
4	State general fund/general purpose.....	\$	4,688,400
5	Sec. 112. SPECIAL INVESTIGATIONS (SAFETY)		
6	Full-time equated classified positions.....	370.0	
7	Criminal investigations--254.0 FTE positions.....	\$	32,144,300
8	Federal antidrug initiatives--62.0 FTE positions.....		11,157,800
9	Reimbursed services, materials, and equipment.....		2,613,600
10	Auto theft prevention--9.0 FTE positions.....		1,595,900
11	Casino gaming oversight--32.0 FTE positions.....		4,184,200
12	Fire investigation--13.0 FTE positions.....		1,385,000
13	Fire investigation training to locals.....		<u>50,000</u>
14	GROSS APPROPRIATION.....	\$	53,130,800
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDT, auto theft funds.....		1,299,800
18	IDG-MDTR, casino gaming fees.....		4,184,200
19	IDG-MDCH, tobacco tax.....		610,000
20	Federal revenues:		
21	Federal investigations - reimbursed services.....		742,700
22	DOJ.....		8,314,700
23	Federal narcotics investigation revenues.....		443,200
24	Special revenue funds:		
25	Local - reimbursed services.....		1,870,900
26	Narcotics investigation revenues.....		648,800
27	Forfeiture funds.....		450,400

1	State general fund/general purpose	\$	34,566,100
2	Sec. 113. MOTOR CARRIER ENFORCEMENT (MOBILITY,		
3	SAFETY)		
4	Full-time equated classified positions.....	214.0	
5	Motor carrier enforcement--106.0 FTE positions	\$	10,097,700
6	Truck safety enforcement team operations--10.0 FTE		
7	positions		1,284,900
8	Safety inspections--64.0 FTE positions		7,900,800
9	School bus inspections--16.0 FTE positions		1,340,000
10	Safety projects--18.0 FTE positions		<u>2,044,500</u>
11	GROSS APPROPRIATION.....	\$	22,667,900
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDT, truck safety fund.....		1,284,900
15	IDG-MDOT, state trunkline fund.....		7,430,900
16	Federal revenues:		
17	DOT.....		8,365,200
18	Special revenue funds:		
19	Local - school bus revenue.....		1,340,000
20	Motor carrier fees.....		4,246,900
21	State general fund/general purpose	\$	0
22	Sec. 114. INFORMATION TECHNOLOGY (SAFETY)		
23	Information technology services and projects	\$	<u>21,035,700</u>
24	GROSS APPROPRIATION.....	\$	21,035,700
25	Appropriated from:		
26	Interdepartmental grants revenues:		
27	IDG-MDTR, casino gaming fees.....		81,800

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1	IDG-MDOT, state trunkline fund.....	34,100
2	Federal revenues:	
3	DOT.....	33,100
4	Special revenue funds:	
5	Local - LEIN fees.....	3,591,400
6	Local - AFIS fees.....	37,700
7	Local - MPSCS subscriber fees.....	1,000,000
8	Motor carrier fees.....	16,100
9	State general fund/general purpose..... \$	16,241,500

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 2006-2007 is [\$370,671,900.00] and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is [\$21,399,200.00]. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE

OFFICE OF HIGHWAY SAFETY PLANNING

Secondary road patrol program.....	\$	[15,384,500]
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MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Training only to local units.....	\$	650,200
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Justice training grants.....		4,903,300
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SPECIAL INVESTIGATIONS

Fire investigation training for locals	50,000
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SUPPORT SERVICES

Communications	\$	<u>411,200</u>
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Total	\$	[21,399,200]
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Sec. 202. The appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this article:

(a) "AFIS" means the automated fingerprint identification system.

(b) "Department" means the department of state police.

(c) "DHS" means the United States department of homeland security.

(d) "DNA" means deoxyribonucleic acid.

(e) "DOJ" means the United States department of justice.

(f) "DOT" means the United States department of transportation.

(g) "FEMA" means the federal emergency management agency.

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

(i) "IDG" means interdepartmental grant.

(j) "IDT" means intradepartmental transfer.

(k) "LEIN" means law enforcement information network.

(l) "MCOLES" means the Michigan commission on law enforcement standards.

(m) "MDCH" means the Michigan department of community health.

(n) "MDMB" means the Michigan department of management and

1 budget.

2 (o) "MDOC" means the Michigan department of corrections.

3 (p) "MDOS" means the Michigan department of state.

4 (q) "MDOT" means the Michigan department of transportation.

5 (r) "MDTR" means the Michigan department of treasury.

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

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

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

1 approved during the previous month and the justification for the
2 exception.

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

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

18 Sec. 209. Funds appropriated in part 1 shall not be used for
19 the purchase of foreign goods or services, or both, if
20 competitively priced and of comparable quality American goods or
21 services, or both, are available. Preference should be given to
22 goods or services, or both, manufactured or provided by Michigan
23 businesses, if they are competitively priced and of comparable
24 quality.

25 Sec. 210. The director of each department receiving
26 appropriations in part 1 shall take all reasonable steps to ensure
27 businesses in deprived and depressed communities compete for and

1 perform contracts to provide services or supplies, or both, for the
2 department. The director shall strongly encourage firms with which
3 the department contracts to subcontract with certified businesses
4 in depressed and deprived communities for services or supplies, or
5 both.

6 Sec. 211. It is the intent of the legislature that personnel
7 of the department who request and are eligible for reimbursement of
8 expenses related to the operation of the department be reimbursed
9 from the appropriations provided in this article within 30 days
10 after submitting a request, or the eligible personnel shall be paid
11 an additional amount equal to 0.75% of the payment due. The
12 department shall pay an additional amount equal to 0.75% of the
13 payment due for the first month and each succeeding month or
14 portion of a month the payment remains past due.

15 Sec. 213. (1) It is the intent of the legislature that the
16 department shall not provide any subsidy for contractual services
17 it provides.

18 (2) When the department provides contractual services to a
19 local unit of government, the department shall be reimbursed for
20 all costs incurred in providing the services, including, but not
21 limited to, retirement and overtime costs.

22 (3) Contractual services provided to an entity other than a
23 local unit of government may be provided by department personnel,
24 but only on an overtime basis outside the normal work schedule of
25 the personnel.

26 (4) This section does not apply to state agencies.

27 Sec. 214. The departments and agencies receiving

1 appropriations in part 1 shall receive and retain copies of all
2 reports funded from appropriations in part 1. The department shall
3 follow all federal guidelines and state laws regarding short-term
4 and long-term retention of records.

5 Sec. 215. Not later than January 1, 2007, the department shall
6 report to the state police appropriations subcommittees of the
7 house and senate and the house and senate fiscal agencies. The
8 report shall contain the following information regarding the
9 department's activities related to casino gaming oversight during
10 fiscal year 2005-2006:

11 (a) The amount of money received and expended.

12 (b) The nature and structure of the casino gaming oversight
13 unit.

14 (c) The positions and classifications of employees assigned.

15 (d) The number of full-time and part-time employees and the
16 aggregate number of FTEs.

17 (e) The number of enlisted and civilian positions.

18 (f) The duties and responsibilities of the assigned employees.

19 (g) The immediate past position of the enlisted employees
20 assigned.

21 Sec. 216. The department shall collect and computerize the
22 vehicle identification number (VIN) of all vehicles that are
23 entered into the state accident data collection system and make
24 this and other vehicle information available to the public at cost.
25 For bulk access to the accident records in which the VIN has been
26 collected and computerized, the department shall make those records
27 available to the public at cost, provided that the name and address

1 have been excluded.

2 Sec. 217. From the funds appropriated in part 1, the
3 department shall maintain a toll-free hotline in collaboration with
4 the department of education. The toll-free hotline shall be
5 operated 24 hours per day, 7 days per week, and shall provide
6 students, school officials, and other individuals an opportunity to
7 report specific threats of imminent school violence or other
8 suspicious or criminal conduct by juveniles to the appropriate
9 local law enforcement entities for investigation. The department
10 may expend funds for the promotion of the hotline.

11 Sec. 218. (1) Funds appropriated in part 1 for at-post
12 troopers shall only be expended for trooper salaries, wages,
13 benefits, retirement, equipment, supplies, and other expenses
14 directly related to state troopers assigned to general law
15 enforcement duties at a department post, detachment, satellite
16 office, or a resident trooper function.

17 (2) From the funds appropriated in part 1 for at-post
18 troopers, 1 or more trooper recruit schools of a size, length, and
19 date to be determined by the department or the legislature shall be
20 conducted during fiscal year 2006-2007 with the goal of maintaining
21 at-post trooper strength of at least 1,075 on September 30, 2007.

22 (3) The department shall submit quarterly written reports to
23 the senate and house appropriations subcommittees on state police
24 and military and veterans affairs no later than December 1, 2006,
25 March 1, 2007, June 1, 2007, and September 1, 2007 which shall
26 include a trooper strength report and the status of the
27 department's plan for accomplishing the goal of subsection (2). If

1 the department determines that insufficient appropriations exist
2 under part 1 to accomplish the goal of subsection (2), the
3 department shall submit a proposal outlining a plan to accomplish
4 the goal including an accounting of any additional funding
5 necessary to that end.

6 Sec. 219. The department of state police shall notify the
7 house and senate appropriations subcommittees on state police and
8 military and veterans affairs and the house and senate fiscal
9 agencies not less than 180 days before recommending to close or
10 consolidate any state police posts. The notification shall include
11 a local and state impact study of the proposed post closure or
12 consolidation.

13 Sec. 220. The department of state police, in keeping with its
14 role as the general law enforcement agency of the state and as the
15 law enforcement agency of last resort for communities that are
16 either without local law enforcement resources or are seriously
17 underserved by local law enforcement resources, shall provide
18 general law enforcement assistance to those communities until
19 adequate law enforcement services can be provided to those
20 communities by other means.

21 Sec. 221. The department of state police may pursue entering
22 into an agreement with Calhoun County to build a new facility in
23 Marshall which would serve as a new state police post to replace
24 the current state police post in Battle Creek.

25 Sec. 223. (1) Due to the current budgetary problems in this
26 state, out-of-state travel for the fiscal year ending September 30,
27 2007 shall be limited to situations in which 1 or more of the

1 following conditions apply:

2 (a) The travel is required by legal mandate or court order or
3 for law enforcement purposes.

4 (b) The travel is necessary to protect the health or safety of
5 Michigan citizens or visitors or to assist other states in similar
6 circumstances.

7 (c) The travel is necessary to produce budgetary savings or to
8 increase state revenues, including protecting existing federal
9 funds or securing additional federal funds.

10 (d) The travel is necessary to comply with federal
11 requirements.

12 (e) The travel is necessary to secure specialized training for
13 staff that is not available within this state.

14 (f) The travel is financed entirely by federal or nonstate
15 funds.

16 (2) If out-of-state travel is necessary but does not meet 1 or
17 more of the conditions in subsection (1), the state budget director
18 may grant an exception to allow the travel. Any exceptions granted
19 by the state budget director shall be reported on a monthly basis
20 to the senate and house of representatives standing committees on
21 appropriations.

22 (3) Not later than January 1 of each year, each department
23 shall prepare a travel report listing all travel by classified and
24 unclassified employees outside this state in the immediately
25 preceding fiscal year that was funded in whole or in part with
26 funds appropriated in the department's budget. The report shall be
27 submitted to the chairs and members of the senate and house of

1 representatives standing committees on appropriations, the fiscal
2 agencies, and the state budget director. The report shall include
3 the following information:

4 (a) The name of each person receiving reimbursement for travel
5 outside this state or whose travel costs were paid by this state.

6 (b) The destination of each travel occurrence.

7 (c) The dates of each travel occurrence.

8 (d) A brief statement of the reason for each travel
9 occurrence.

10 (e) The transportation and related costs of each travel
11 occurrence, including the proportion funded with state general
12 fund/general purpose revenues, the proportion funded with state
13 restricted revenues, the proportion funded with federal revenues,
14 and the proportion funded with other revenues.

15 (f) A total of all out-of-state travel funded for the
16 immediately preceding fiscal year.

17 Sec. 224. The department shall not take disciplinary action
18 against an employee for communicating with a member of the
19 legislature or his or her staff.

20 Sec. 225. It is the intent of the legislature that the
21 administration, working with the MCOLES, shall take steps during
22 the fiscal year 2006-2007 to restore the long-held practice that
23 all revenue made available to the department from the Michigan
24 justice training fund be used solely for costs directly related to
25 the delivery of Michigan justice training fund grants, so that in
26 the future, eligible entities as provided under 1982 PA 302, MCL
27 18.421 to 18.429, will have a stable and accurate source of

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training funds.

[Sec. 226. The department shall place emphasis on recruiting MCOLES certified police officers for the trooper recruit school. Emphasis shall be given in the hiring process to those officers who are on layoff and possess valid MCOLES certification. Any emphasis given in the recruiting and selection process shall be consistent with the department's hiring standards and in accordance with civil service rules. The department shall report to the chairpersons of the senate and house of representatives standing committees on appropriations the results of its recruitment and selection process, including the actual number of certified officers selected for the recruit school by September 30, 2007.]

INFORMATION TECHNOLOGY

Sec. 301. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the service and contract maintenance costs of the LEIN system.

Sec. 302. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 303. 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. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and

1 house appropriations committees not later than April 1, 2007.

2 Sec. 305. The criminal justice information systems policy
3 council shall encourage members of the law enforcement agencies in
4 the state to be sensitive to, and note when necessary, activities
5 or circumstances that may suggest the unauthorized access or misuse
6 of information from the LEIN system. The criminal justice
7 information systems policy council shall advise LEIN auditors, as a
8 part of their audit of law enforcement agencies, to investigate in
9 depth all suspected incidents of improper access or improper use of
10 information from the LEIN system and determine whether or not those
11 incidents were illegal. In those incidents that may be determined
12 to be illegal, the executive secretary for the council shall
13 determine whether those incidents were of a negligent or criminal
14 nature. If an incident is determined to be an illegal act, the
15 council shall inform the chairs of both the senate and house
16 appropriations committees.

17 Sec. 306. (1) The department of state police, working with the
18 criminal justice information systems policy council, shall
19 implement procedures by which all probation information is placed
20 on the LEIN system. The LEIN system shall include information on
21 each probationer, including any probation conditions placed on a
22 probationer and the name of the probation officer assigned to a
23 probationer. The LEIN system shall also include any nonstandard
24 probation terms.

25 (2) If the department determines that amendments to the code
26 of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are
27 required to include all probation information on the LEIN system,

1 the department shall deliver to members of the senate and house
2 appropriations subcommittees on state police and military affairs
3 amendments to the code of criminal procedure, 1927 PA 175, MCL
4 760.1 to 777.69, that, in the department's view, are necessary to
5 accomplish this goal. These proposed amendments shall be delivered
6 to subcommittee members not later than December 1, 2006.

7 Sec. 307. The department of state police shall serve as an
8 active liaison between the department of information technology and
9 local public safety agencies to facilitate the use of the Michigan
10 public safety communications system towers by those local public
11 safety agencies that have an interest in using the towers as a part
12 of their own communications system. The department of state police
13 shall deliver a written report to the senate and house
14 appropriations subcommittees on state police and military and
15 veterans affairs by April 1, 2007, which shall include an
16 assessment of the progress toward establishing local public safety
17 agency use of the Michigan public safety communications system
18 towers, an accounting of problems that may be preventing local use
19 of the towers, and any recommendations the department has that may
20 foster this utilization.

21 **HIGHWAY SAFETY PLANNING**

22 Sec. 401. On a quarterly basis, the department shall report to
23 the senate and house appropriations subcommittees on state police
24 and military affairs on the status of assessments collected and
25 authorized under section 629e of the Michigan vehicle code, 1949 PA
26 300, MCL 257.629e, for the purposes of supporting the secondary

1 road patrol grant program. Each quarterly report shall contain
2 updated information on collection levels, revised projected grant
3 allotments to counties for the year, a comparison of projected
4 collections and grant distribution levels with the funds
5 appropriated in part 1 for the secondary road patrol program, and
6 the extent collection levels have exceeded or failed to meet
7 appropriated levels for the current fiscal year or expenditure
8 levels from the previous fiscal year.

9 **FORENSIC SCIENCES**

10 Sec. 501. (1) The department shall distribute a copy of the
11 department's protocol for retaining and purging DNA analysis
12 samples and records to each police agency in this state.

13 (2) The department shall report to the house and senate
14 appropriations subcommittees on state police and military and
15 veterans affairs and the house and senate fiscal agencies when any
16 changes to the department's DNA protocol are made.

17 Sec. 502. The department shall work with the department of
18 community health, the Michigan health and hospital association, the
19 Michigan state medical society, and the Michigan nurses association
20 to ensure that the recommendations included in the "Standard
21 Recommended Procedures for the Emergency Treatment of Sexual
22 Assault Victims" are followed in the collection of evidence.

23 **MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

24 Sec. 601. The money appropriated to the MCOLES for maintenance
25 and delivery of training to locals is provided in accordance with a

1 state reimbursement policy in which 100% of the determined state
2 reimbursement rate shall be distributed upon certification by the
3 MCOLES.

4 Sec. 602. From the appropriations in part 1 for the training
5 of new state troopers and other new police officers in the state
6 and for the continuing education of all law enforcement officers in
7 the state, sufficient funds shall be used to include curricula on
8 the content and application of federal firearms laws, including the
9 procedures necessary for law enforcement to turn appropriate cases
10 over to the federal bureau of alcohol, tobacco, and firearms or any
11 other applicable federal criminal justice agency.

12 EMERGENCY MANAGEMENT

13 Sec. 801. (1) The state director of emergency management may
14 expend money appropriated under this article to call upon any
15 agency or department of the state or any resource of the state to
16 protect life or property or to provide for the health or safety of
17 the population in any area of the state in which the governor
18 proclaims a state of emergency or state of disaster under 1945 PA
19 302, MCL 10.31 to 10.33, or under the emergency management act,
20 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency
21 management may expend the amounts the director considers necessary
22 to accomplish these purposes. The director shall submit to the
23 state budget director as soon as possible a complete report of all
24 actions taken under the authority of this section. The report shall
25 contain, as a separate item, a statement of all money expended that
26 is not reimbursable from federal money. The state budget director

1 shall review the expenditures and submit recommendations to the
2 legislature in regard to any possible need for a supplemental
3 appropriation.

4 (2) In addition to the money appropriated in this article, the
5 department may receive and expend money from local, private,
6 federal, or state sources for the purpose of providing emergency
7 management training to local or private interests and for the
8 purpose of supporting emergency preparedness, response, recovery,
9 and mitigation activity. If additional expenditure authorization in
10 the Michigan administrative information network is approved by the
11 state budget office under this section, the department and the
12 state budget office shall notify the house and senate
13 appropriations subcommittees on state police and military and
14 veterans affairs and the house and senate fiscal agencies within 10
15 days after the approval. The notification shall include the amount
16 and source of the additional authorization, the date of its
17 approval, and the projected use of funds to be expended under the
18 authorization.

19 Sec. 802. The department shall not make any purchases related
20 to a statewide emergency management computer network unless
21 authorized to do so by the director of the department of
22 information technology.

23 Sec. 803. The department's emergency management division shall
24 make every effort to ensure both of the following:

25 (a) That homeland security grants offered by the federal
26 government and channeled through the department are allocated to
27 first responder entities in the highest percentage possible.

(b) That homeland security grants awarded to the city of Detroit shall not be used to supplant city general funds designated to support first responder operations.

POST UNIFORM SERVICES

Sec. 901. State police enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations, and are responsible for protecting every citizen of this state from harm.

STATEWIDE FIELD OPERATIONS

Sec. 1001. In addition to the appropriations in part 1 to the department of state police for the aviation program, the department is authorized to sell its aircraft and the proceeds from the sale are appropriated and may be applied to the renovation cost of replacement aircraft, cost of enhancing and maintaining existing aircraft, pilot training cost, and reimbursement for use of other state agency aircraft. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its

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1 approval, and the projected use of funds to be expended under the
2 authorization.

3 Sec. 1002. Money privately donated to the department is
4 appropriated under part 1 to be used for the purposes designated by
5 the donor of the money. Money privately donated to the department's
6 canine unit shall be used to purchase equipment and other items to
7 enhance the operation of the canine unit. It is the intent of the
8 legislature that money from private donations not supplant general
9 fund appropriations.

10 **SPECIAL INVESTIGATIONS**

11 Sec. 1101. (1) There is sufficient money appropriated in part
12 1 to special investigations to ensure that the citizens in a
13 service area of any state police post in the vicinity of a state
14 prison do not experience a downgrading of state police services in
15 their area. Special investigations shall be available by temporary
16 or permanent assignment of a detective when either a temporary or
17 permanent prison facility is opened.

18 (2) If the department is unable to comply with subsection (1)
19 and there is a prison scheduled to open, the department shall
20 provide troopers to serve as investigators on an interim basis.

[Sec. 1102. From the funds appropriated in part 1 for special
investigations, the department shall utilize 2.0 FTE positions to serve
as data collectors for methamphetamine incident reports. The department
shall provide a report to the chairpersons of the senate and house of
representatives standing committees on appropriations no later than April
1, 2007 concerning methamphetamine related criminal activities.]

21 **MOTOR CARRIER ENFORCEMENT**

22 Sec. 1201. (1) The department shall report to the house and
23 senate appropriations subcommittees on state police and the house
24 and senate fiscal agencies by March 1, 2007 regarding the
25 inspection of school buses and other motor vehicles under section

1 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and
2 section 39 of the pupil transportation act, 1990 PA 187, MCL
3 257.1839. The report shall include the following information
4 regarding inspections conducted in calendar year 2006:

5 (a) The number of buses and vehicles inspected by the
6 department.

7 (b) The number of buses and vehicles passing and failing
8 inspection.

9 (c) The estimated number of buses and vehicles not inspected.

10 (2) If each school bus within a school system receives a 100%
11 successful state inspection on its first inspection in a given
12 year, the department shall award a certificate to that school
13 system.

14 ARTICLE 18

15 TRANSPORTATION

16 PART 1

17 LINE-ITEM APPROPRIATIONS

18 Sec. 101. Subject to the conditions set forth in this article,
19 the amounts listed in this part are appropriated for the state
20 transportation department and certain state purposes designated in
21 this article for the fiscal year ending September 30, 2007, from
22 the funds indicated in this part. The following is a summary of the
23 appropriations in this part:

24 **STATE TRANSPORTATION DEPARTMENT**

25 APPROPRIATION SUMMARY:

1	Full-time equated unclassified positions.....	6.0	
2	Full-time equated classified positions.....	3,030.3	
3	GROSS APPROPRIATION.....		\$ 3,441,745,800
4	Total interdepartmental grants and intradepartmental		
5	transfers		0
6	ADJUSTED GROSS APPROPRIATION.....		\$ 3,441,745,800
7	Federal revenues:		
8	DOT, federal transit act.....	60,338,100	
9	DOT-FHWA, highway research, planning, and construction	1,107,898,200	
10	DOT-FRA, local rail service assistance.....	100,000	
11	DOT-FRA, rail passenger/HSGT.....	1,000,000	
12	Total federal revenues.....	1,169,336,300	
13	Special revenue funds:		
14	Total local revenues.....	47,500,000	
15	Total private revenues.....	0	
16	Total local and private revenues.....	47,500,000	
17	Michigan transportation fund.....	1,092,931,700	
18	Local bridge fund.....	33,455,300	
19	Economic development fund.....	57,275,000	
20	State trunkline fund.....	745,189,600	
21	State aeronautics fund.....	14,934,000	
22	Comprehensive transportation fund.....	260,781,700	
23	Blue Water Bridge fund.....	17,342,200	
24	Intercity bus equipment fund.....	1,000,000	
25	Rail preservation fund.....	2,000,000	
26	Total other state restricted revenues.....	2,224,909,500	
27	State general fund/general purpose.....		\$ 0

1	Sec. 102. DEBT SERVICE (MOBILITY)		
2	State trunkline.....	\$	152,300,400
3	Economic development.....		15,025,800
4	Local bridge fund.....		3,000,000
5	Blue Water Bridge fund.....		2,878,600
6	Airport safety and protection plan.....		5,000,000
7	Comprehensive transportation.....		<u>29,415,200</u>
8	GROSS APPROPRIATION.....	\$	207,620,000
9	Appropriated from:		
10	Federal revenues:		
11	DOT-FHWA, highway research, planning, and construction		55,000,000
12	Special revenue funds:		
13	Comprehensive transportation fund.....		28,807,800
14	Local bridge fund.....		3,000,000
15	State trunkline fund.....		97,300,400
16	Blue Water Bridge fund.....		2,878,600
17	Economic development fund.....		15,025,800
18	State aeronautics fund.....		5,607,400
19	State general fund/general purpose.....	\$	0
20	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY		
21	SUPPORT SERVICES (MOBILITY)		
22	MTF grant to department of environmental quality.....	\$	1,020,800
23	MTF grant to department of state for collection of		
24	revenue and fees		20,000,000
25	MTF grant to legislative auditor general.....		204,300
26	MTF grant to department of treasury.....		5,000,000
27	STF grant to department of attorney general.....		2,708,300

1	STF grant to department of civil service	2,700,000
2	STF grant to department of management and budget	1,366,500
3	STF grant to department of state police	7,967,000
4	STF grant to department of history, arts, and	
5	libraries	73,500
6	STF grant to department of treasury	212,900
7	STF grant to legislative auditor general	474,600
8	SAF grant to department of attorney general	151,400
9	SAF grant to department of civil service	55,000
10	SAF grant to department of management and budget	38,600
11	SAF grant to department of history, arts, and	
12	libraries	2,100
13	SAF grant to department of treasury	74,300
14	SAF grant to legislative auditor general	19,600
15	CTF grant to department of attorney general	153,400
16	CTF grant to department of civil service	95,000
17	CTF grant to department of management and budget	62,400
18	CTF grant to department of history, arts, and	
19	libraries	3,400
20	CTF grant to department of treasury	2,400
21	CTF grant to legislative auditor general	<u>25,200</u>
22	GROSS APPROPRIATION	\$ 42,410,700
23	Appropriated from:	
24	Special revenue funds:	
25	Comprehensive transportation fund	341,800
26	Michigan transportation fund	26,225,100
27	State aeronautics fund	341,000

1	State trunkline fund.....	15,502,800
2	State general fund/general purpose.....	\$ 0
3	Sec. 104. EXECUTIVE DIRECTION (MOBILITY)	
4	Full-time equated unclassified positions.....	6.0
5	Full-time equated classified positions.....	31.3
6	Unclassified salaries.....	\$ 532,200
7	Asset management council.....	1,626,400
8	Commission audit--31.3 FTE positions.....	<u>3,382,900</u>
9	GROSS APPROPRIATION.....	\$ 5,541,500
10	Appropriated from:	
11	Special revenue funds:	
12	Michigan transportation fund.....	1,626,400
13	State trunkline fund.....	3,915,100
14	State general fund/general purpose.....	\$ 0
15	Sec. 105. BUSINESS SUPPORT (MOBILITY)	
16	Full-time equated classified positions.....	56.5
17	Business support services--25.5 FTE positions.....	\$ 3,177,100
18	Property management.....	7,331,500
19	Human resources--22.0 FTE positions.....	2,487,800
20	Human resources optimization user charges.....	199,500
21	Economic development and enhancement programs--9.0 FTE	
22	positions	1,131,000
23	Worker's compensation.....	<u>2,136,000</u>
24	GROSS APPROPRIATION.....	\$ 16,462,900
25	Appropriated from:	
26	Special revenue funds:	
27	Economic development fund.....	485,300

1	State aeronautics fund.....	886,500
2	Comprehensive transportation fund.....	1,354,700
3	Michigan transportation fund.....	175,800
4	State trunkline fund.....	13,560,600
5	State general fund/general purpose.....	\$ 0
6	Sec. 106. INFORMATION TECHNOLOGY (MOBILITY)	
7	Information technology services and projects.....	\$ <u>27,876,500</u>
8	GROSS APPROPRIATION.....	\$ 27,876,500
9	Appropriated from:	
10	Federal revenues:	
11	DOT-FHWA, highway research, planning, and construction	1,446,900
12	Special revenue funds:	
13	Blue Water Bridge fund.....	47,000
14	Comprehensive transportation fund.....	234,300
15	Economic development fund.....	37,100
16	Michigan transportation fund.....	243,400
17	State aeronautics fund.....	143,700
18	State trunkline fund.....	25,724,100
19	State general fund/general purpose.....	\$ 0
20	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES	
21	(MOBILITY)	
22	Full-time equated classified positions.....	255.5
23	Financial operations--79.0 FTE positions.....	\$ 7,638,500
24	Contract services--34.1 FTE positions.....	3,172,400
25	Technical and support services--75.4 FTE positions...	8,645,300
26	Performance excellence--12.0 FTE positions.....	1,386,100
27	Welcome center operations--55.0 FTE positions.....	<u>4,709,100</u>

1	GROSS APPROPRIATION.....	\$	25,551,400
2	Appropriated from:		
3	Special revenue funds:		
4	Michigan transportation fund.....		1,403,900
5	State trunkline fund.....		24,147,500
6	State general fund/general purpose.....	\$	0
7	Sec. 108. TRANSPORTATION PLANNING (MOBILITY)		
8	Full-time equated classified positions.....		174.0
9	Statewide planning services--122.0 FTE positions.....	\$	12,913,200
10	Data collection services--52.0 FTE positions.....		5,480,700
11	Specialized planning services and local studies.....		16,798,200
12	Grants to regional planning councils.....		<u>488,800</u>
13	GROSS APPROPRIATION.....	\$	35,680,900
14	Appropriated from:		
15	Federal revenues:		
16	DOT-FHWA, highway research, planning, and construction		22,000,000
17	Special revenue funds:		
18	State aeronautics fund.....		261,900
19	Comprehensive transportation fund.....		1,060,300
20	Michigan transportation fund.....		6,304,500
21	State trunkline fund.....		6,054,200
22	State general fund/general purpose.....	\$	0
23	Sec. 109. DESIGN AND ENGINEERING SERVICES (MOBILITY)		
24	Full-time equated classified positions.....		1,516.4
25	Engineering services--802.2 FTE positions.....	\$	55,537,900
26	Program services--703.7 FTE positions.....		36,996,600
27	Intelligent transportation systems operations--10.5		

1	FTE positions		<u>9,977,600</u>
2	GROSS APPROPRIATION.....	\$	102,512,100
3	Appropriated from:		
4	Federal revenues:		
5	DOT-FHWA, highway research, planning, and construction		15,226,200
6	Special revenue funds:		
7	Michigan transportation fund.....		5,331,200
8	State trunkline fund.....		81,954,700
9	State general fund/general purpose.....	\$	0
10	Sec. 110. HIGHWAY MAINTENANCE (MOBILITY)		
11	Full-time equated classified positions.....	825.6	
12	State trunkline operations--825.6 FTE positions.....	\$	129,341,200
13	Contract operations.....		<u>145,823,700</u>
14	GROSS APPROPRIATION.....	\$	275,164,900
15	Appropriated from:		
16	Special revenue funds:		
17	State trunkline fund.....		275,164,900
18	State general fund/general purpose.....	\$	0
19	Sec. 111. ROAD AND BRIDGE PROGRAMS (MOBILITY)		
20	State trunkline federal aid and road and bridge		
21	construction	\$	989,401,400
22	Local federal aid and road and bridge construction...		259,689,000
23	Grants to local programs.....		33,000,000
24	Rail grade crossing.....		3,000,000
25	Local bridge program.....		30,455,300
26	County road commissions.....		650,784,700
27	Cities and villages.....		<u>362,841,600</u>

1	GROSS APPROPRIATION.....	\$	2,329,172,000
2	Appropriated from:		
3	Federal revenues:		
4	DOT-FHWA, highway research, planning, and construction		1,014,225,100
5	Special revenue funds:		
6	Local funds.....		30,000,000
7	Blue Water Bridge fund.....		3,000,000
8	Michigan transportation fund.....		1,049,626,300
9	Local bridge fund.....		30,455,300
10	State trunkline fund.....		201,865,300
11	State general fund/general purpose.....	\$	0
12	Sec. 112. BLUE WATER BRIDGE (MOBILITY)		
13	Full-time equated classified positions.....	41.0	
14	Blue Water Bridge operations--41.0 FTE positions.....	\$	<u>11,416,600</u>
15	GROSS APPROPRIATION.....	\$	11,416,600
16	Appropriated from:		
17	Special revenue funds:		
18	Blue Water Bridge fund.....		11,416,600
19	State general fund/general purpose.....	\$	0
20	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT		
21	(MOBILITY)		
22	Forest roads.....	\$	5,000,000
23	Rural county urban system.....		2,500,000
24	Target industries/economic redevelopment.....		18,863,400
25	Urban county congestion.....		7,681,700
26	Rural county primary.....		<u>7,681,700</u>
27	GROSS APPROPRIATION.....	\$	41,726,800

1	Appropriated from:		
2	Special revenue funds:		
3	Economic development fund.....		41,726,800
4	State general fund/general purpose.....	\$	0
5	Sec. 114. AERONAUTICS SERVICES (MOBILITY)		
6	Full-time equated classified positions.....	56.0	
7	Airport improvement services--30.0 FTE positions.....	\$	2,872,800
8	Aviation services--26.0 FTE positions.....		4,120,700
9	Air service program.....		<u>700,000</u>
10	GROSS APPROPRIATION.....	\$	7,693,500
11	Appropriated from:		
12	Special revenue funds:		
13	State aeronautics fund.....		7,693,500
14	State general fund/general purpose.....	\$	0
15	Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT SERVICE		
16	(MOBILITY)		
17	Full-time equated classified positions.....	74.0	
18	Freight and safety services--36.0 FTE positions.....	\$	4,121,100
19	Passenger transportation services--38.0 FTE positions.....		<u>4,111,100</u>
20	GROSS APPROPRIATION.....	\$	8,232,200
21	Appropriated from:		
22	Federal revenues:		
23	DOT, federal transit act.....		738,100
24	Special revenue funds:		
25	Comprehensive transportation fund.....		5,499,000
26	Michigan transportation fund.....		1,995,100
27	State general fund/general purpose.....	\$	0

**Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING
(MOBILITY)**

Local bus operating.....	\$	166,624,000
Nonurban operating/capital.....		<u>18,000,000</u>
GROSS APPROPRIATION.....	\$	184,624,000

Appropriated from:

Federal revenues:

DOT, federal transit act.....	16,000,000
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Special revenue funds:

Comprehensive transportation fund.....	166,624,000
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Local funds.....	2,000,000
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State general fund/general purpose.....	
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Sec. 117. INTERCITY PASSENGER AND FREIGHT (MOBILITY)

Freight property management.....	\$	1,000,000
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Detroit/Wayne County port authority.....	500,000
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Intercity bus equipment.....	2,800,000
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Rail passenger service.....	8,200,000
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Freight preservation and development.....	5,192,900
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Rail infrastructure loan program.....	1,100,000
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Intercity bus service development.....	4,850,000
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Marine passenger service.....	400,000
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Terminal development.....	<u>1,751,300</u>
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GROSS APPROPRIATION.....	\$	25,794,200
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Appropriated from:

Federal revenues:

DOT, federal transit act.....	3,500,000
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DOT-FRA, local rail service assistance.....	100,000
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1	DOT-FRA, rail passenger/HSGT.....		1,000,000
2	Special revenue funds:		
3	Rail preservation fund.....		2,000,000
4	Intercity bus equipment fund.....		1,000,000
5	Comprehensive transportation fund.....		18,144,200
6	Local funds.....		50,000
7	State general fund/general purpose.....	\$	0
8	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT		
9	(MOBILITY)		
10	Specialized services.....	\$	11,300,100
11	Municipal credit program.....		2,000,000
12	Bus capital.....		64,726,500
13	Van pooling.....		195,000
14	Service initiatives.....		1,200,000
15	Transportation to work.....		<u>14,844,000</u>
16	GROSS APPROPRIATION.....	\$	94,265,600
17	Appropriated from:		
18	Federal revenues:		
19	DOT, federal transit act.....		40,100,000
20	Special revenue funds:		
21	Comprehensive transportation fund.....		38,715,600
22	Local funds.....		15,450,000
23	State general fund/general purpose.....	\$	0

24 PART 2

25 PROVISIONS CONCERNING APPROPRIATIONS

26 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 2006-2007 is \$2,224,909,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$1,301,284,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to local programs.....	\$	33,000,000
Economic development fund.....		22,863,400
Grants to cities and villages.....		362,841,600
Grants to county road commissions.....		650,784,700
Local bridge fund.....		30,455,300
Grants to regional planning councils.....		488,800
Local bus operating.....		166,624,000
Bus capital.....		27,226,500
Marine passenger service.....		400,000
Detroit/Wayne County port authority.....		500,000
Municipal credit program.....		2,000,000
Specialized services.....		<u>4,100,100</u>
Total payments to local units of government.....	\$	1,301,284,400

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

Sec. 203. As used in this article:

(a) "CTF" means comprehensive transportation fund.

1 (b) "Department" means the department of transportation.

2 (c) "DOT" means the United States department of
3 transportation.

4 (d) "DOT-FHWA" means DOT, federal highway administration.

5 (e) "DOT-FRA" means DOT, federal railroad administration.

6 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
7 administration, high-speed ground transportation.

8 (g) "EDF" means economic development fund.

9 (h) "FTE" means full-time equated.

10 (i) "MTF" means Michigan transportation fund.

11 (j) "RIF" means recreation improvement fund.

12 (k) "SAF" means state aeronautics fund.

13 (l) "STF" means state trunkline fund.

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

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

26 (2) The state budget director may grant exceptions to this
27 hiring freeze when the state budget director believes that the

1 hiring freeze will result in rendering a state department or agency
2 unable to deliver basic services, causes loss of revenue to the
3 state, would result in the inability of the state to receive
4 federal funds, or would necessitate additional expenditures that
5 exceed any savings from maintaining a vacancy. The state budget
6 director shall report by the thirtieth of each month to the
7 chairpersons of the senate and house of representatives standing
8 committees on appropriations the number of exceptions to the hiring
9 freeze approved during the previous month and the reasons to
10 justify the exception.

11 Sec. 207. At least 90 days before beginning any effort to
12 privatize, the department shall submit a complete project plan to
13 the appropriate senate and house of representatives appropriations
14 subcommittees and the senate and house fiscal agencies. The plan
15 shall include the criteria under which the privatization initiative
16 will be evaluated. The evaluation shall be completed and submitted
17 to the appropriate senate and house of representatives
18 appropriations subcommittees and the senate and house fiscal
19 agencies within 6 months. As used in this section, "privatize" or
20 "privatization" means the transfer of state highway maintenance
21 functions or activities currently performed by department forces,
22 or by boards of county road commissioners, county boards of
23 commissioners, or local units of government under contract with the
24 department, to private contractors.

25 Sec. 208. Unless otherwise specified, the department shall use
26 the Internet to fulfill the reporting requirements of this article.
27 This requirement may include transmission of reports via electronic

1 mail to the recipients identified for each reporting requirement or
2 it may include placement of reports on an Internet or Intranet
3 site.

4 Sec. 209. Funds appropriated in part 1 shall not be used for
5 the purchase of foreign goods or services, or both, if
6 competitively priced and of comparable quality American goods or
7 services, or both, are available. Preference should be given to
8 goods or services, or both, manufactured or provided by Michigan
9 businesses if they are competitively priced and of comparable
10 quality.

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

18 Sec. 211. The departments and state agencies receiving
19 appropriations under this article shall receive and retain copies
20 of all reports funded from appropriations in part 1. These
21 departments and state agencies shall follow federal and state
22 guidelines for short-term and long-term retention of these reports
23 and records.

24 Sec. 258. Amounts appropriated in part 1 for information
25 technology may be designated as work projects and carried forward
26 to support technology projects under the direction of the
27 department of information technology. Funds designated in this

1 manner are not available for expenditure until approved as work
2 projects under section 451a of the management and budget act, 1984
3 PA 431, MCL 18.1451a.

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

10 Sec. 260. (1) Due to the current budgetary problems in this
11 state, out-of-state travel for the fiscal year ending September 30,
12 2007 shall be limited to situations in which 1 or more of the
13 following conditions apply:

14 (a) The travel is required by legal mandate or court order or
15 for law enforcement purposes.

16 (b) The travel is necessary to protect the health or safety of
17 Michigan citizens or visitors or to assist other states in similar
18 circumstances.

19 (c) The travel is necessary to produce budgetary savings or to
20 increase state revenues, including protecting existing federal
21 funds or securing additional federal funds.

22 (d) The travel is necessary to comply with federal
23 requirements.

24 (e) The travel is necessary to secure specialized training for
25 staff that is not available within this state, or through the
26 Internet, computer classes, or correspondence.

27 (f) The travel is financed entirely by federal or nonstate

1 funds.

2 (2) If out-of-state travel is necessary but does not meet 1 or
3 more of the conditions in subsection (1), the state budget director
4 may grant an exception to allow the travel. Any exceptions granted
5 by the state budget director shall be reported on a monthly basis
6 to the house and senate appropriations committees.

7 (3) Not later than January 1 of each year, each department
8 shall prepare a travel report listing all travel by classified and
9 unclassified employees outside this state in the immediately
10 preceding fiscal year that was funded in whole or in part with
11 funds appropriated in the department's budget. The report shall be
12 submitted to the chairs and members of the house and senate
13 appropriations committees, the fiscal agencies, and the state
14 budget director. The report shall include the following
15 information:

16 (a) The name of each person receiving reimbursement for travel
17 outside this state or whose travel costs were paid by this state.

18 (b) The destination of each travel occurrence.

19 (c) The dates of each travel occurrence.

20 (d) A brief statement of the reason for each travel
21 occurrence.

22 (e) The transportation and related costs of each travel
23 occurrence, including the proportion funded with state general
24 fund/general purpose revenues, the proportion funded with state
25 restricted revenues, the proportion funded with federal revenues,
26 and the proportion funded with other revenues.

27 (f) A total of all out-of-state travel funded for the

1 immediately preceding fiscal year.

2 (g) If private funds were used to pay for travel, the name of
3 the persons or groups paying for the travel.

4 Sec. 261. A department or state agency shall not take
5 disciplinary action against an employee for communicating with a
6 member of the legislature or their staff.

7 **DEPARTMENTAL SECTIONS**

8 Sec. 301. (1) The department may establish a fee schedule and
9 collect fees sufficient to cover the costs to issue the permits
10 that the department is authorized by law to issue upon request, and
11 for fees associated with freedom of information requests. Unless
12 otherwise authorized by statute, all fee revenue shall be credited
13 to the state trunkline fund to recover the direct and indirect
14 costs of receiving, reviewing, and processing the requests.

15 (2) A bridge authority shall hold 3 public hearings on an
16 increase in any toll charged by the authority at least 30 days
17 before the toll change will become effective. Two of the hearings
18 shall be held within 5 miles of the bridge over which the bridge
19 authority has jurisdiction. One hearing shall be held in Lansing.
20 Public hearings held under this section shall be conducted in
21 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
22 15.275, and shall be conducted so as to provide a reasonable
23 opportunity for public comment, including both spoken and written
24 comments.

25 Sec. 303. On request, the department shall provide to a
26 legislator, in writing, a report on the amount of money to be

1 received by each city and village and the county road commission of
2 each county, that is included in whole or in part within the
3 legislator's legislative district.

4 Sec. 304. If, as a requirement of bidding on a highway
5 project, the department requires a contractor to submit financial
6 or proprietary documentation as to how the bid was calculated, that
7 bid documentation shall be kept confidential and shall not be
8 disclosed other than to a department representative without the
9 contractor's written consent. The department may disclose the bid
10 documentation if necessary to address or defend a claim by a
11 contractor.

12 Sec. 305. The department shall permit space on public
13 passenger transportation properties to be occupied by public or
14 private tenants on a competitive market rate basis. The department
15 shall require that revenue from the tenants be placed in an account
16 to be used to pay the costs to maintain or improve the property.

17 Sec. 306. Biennially, the auditor general shall conduct an
18 audit of charges to transportation funds by state departments for
19 the 2 preceding fiscal years. The first such audit shall be of the
20 fiscal years ending September 30, 2004 and September 30, 2005. The
21 second such audit shall be of the fiscal years ending September 30,
22 2006 and September 30, 2007. The auditor general shall prepare a
23 detailed report, with recommendations and conclusions, including a
24 list of services charged to transportation funds, the
25 appropriateness of those charges, the cost allocation methodologies
26 used in determining the level of funding, and any unreimbursed
27 costs. The report shall be provided to the senate and house of

1 representatives appropriations subcommittees on transportation, the
2 senate and house fiscal agencies, and the state budget director
3 within 9 months of the publication of the state of Michigan
4 comprehensive annual financial report.

5 Sec. 307. Before February 1 of each year, the department will
6 provide to the legislature, the state budget office, and the house
7 and senate fiscal agencies its rolling 5-year plan listing by
8 county or by county road commission all highway construction
9 projects for the fiscal year and all expected projects for the
10 ensuing fiscal years.

11 Sec. 308. The department and local road agencies that receive
12 appropriations under this article shall pursue compliance with
13 contract specifications for construction and maintenance of state
14 highways and local roads and streets. Work shall not be accepted
15 and paid for until it complies with contract requirements.
16 Contractors with unsatisfactory performance ratings shall be
17 restricted from future bidding through the prequalification process
18 established by the department or a local road agency. The
19 department, county road commissions, and cities and villages shall
20 report to the house of representatives and senate appropriations
21 subcommittees on transportation on their respective activities
22 under this section.

23 Sec. 309. The department shall reduce administrative costs and
24 provide the maximum funding possible for construction projects.

25 Sec. 310. The department shall provide in a timely manner
26 copies of the agenda and approved minutes of monthly transportation
27 commission meetings to the members of the house and senate

1 appropriations subcommittees on transportation, the house and
2 senate fiscal agencies, and the state budget director.

3 Sec. 312. At the close of the fiscal year, any unencumbered
4 and unexpended balance in the state trunkline fund shall remain in
5 the state trunkline fund and shall carry forward and is
6 appropriated for federal aid road and bridge programs for projects
7 contained in the annual state transportation program.

8 Sec. 313. (1) From funds appropriated in part 1, the
9 department may increase a state infrastructure bank program and
10 grant or loan funds in accordance with regulations of the state
11 infrastructure bank program of the United States department of
12 transportation. The state infrastructure bank is to be administered
13 by the department for the purpose of providing a revolving, self-
14 sustaining resource for financing transportation infrastructure
15 projects.

16 (2) In addition to funds provided in subsection (1), money
17 received by the state as federal grants, repayment of state
18 infrastructure bank loans, or other reimbursement or revenue
19 received by the state as a result of projects funded by the program
20 and interest earned on that money shall be deposited in the
21 revolving state infrastructure bank fund and shall be available for
22 transportation infrastructure projects. At the close of the fiscal
23 year, any unencumbered funds remaining in the state infrastructure
24 bank fund shall remain in the fund and be carried forward into the
25 succeeding fiscal year.

26 Sec. 314. The department shall provide a report prepared by
27 the department's internal auditor on the activities of the internal

1 auditor for the previous fiscal year. The report shall be due on
2 February 1, 2007 and shall be submitted to the senate and house of
3 representatives appropriations committees, the senate and house
4 fiscal agencies, the director of the state budget office, and the
5 auditor general. This report shall include a list of all of the
6 following:

7 (a) All work activities conducted by the internal auditor,
8 including a listing of all audits, reviews, and investigations.

9 (b) The time charged to each work activity, including time
10 charged to each audit, review, or investigation.

11 (c) A listing of which audits, reviews, and investigations
12 have been completed and which audits, reviews, and investigations
13 have had reports of the results issued.

14 Sec. 319. The department shall post signs at each rest area to
15 identify the agency or contractor responsible for maintenance of
16 the rest area. The signs shall include a department telephone
17 number and shall indicate that unsafe or unclean conditions at the
18 rest area may be reported to that telephone number.

19 Sec. 324. From the funds appropriated in part 1, \$500,000.00
20 from the state trunkline fund shall be used for enhanced
21 construction zone traffic law enforcement and the "give 'em a
22 brake" campaign. The funding shall be used to reimburse law
23 enforcement agencies for costs associated with construction zone
24 traffic enforcement. The funding shall be provided based on
25 approved memoranda of understanding between the department and
26 participating law enforcement agencies.

27 Sec. 334. The department shall continue its program to

1 increase the use of women- and minority-owned businesses in state
2 and local road construction projects. This program shall comprise,
3 at a minimum, outreach and education efforts to inform women- and
4 minority-owned firms of department competitive bidding processes
5 and requirements, and an assessment of the availability of surety
6 for women- and minority-owned businesses. The department shall
7 report by March 31, 2007, to the house and senate appropriations
8 subcommittees on transportation and the house and senate fiscal
9 agencies of its progress in complying with this section.

10 Sec. 353. The department shall review its contractor payment
11 process and ensure that all prime contractors are paid promptly.
12 The department shall ensure that prime contractors are in
13 compliance with special provision 109.10 regarding the prompt
14 payment of subcontractors.

15 Sec. 357. When presented with complete local federal aid
16 project submittals, the department shall complete all necessary
17 reviews and inspections required to let local federal aid projects
18 within 120 days of receipt. The department shall implement a system
19 for monitoring the local federal aid project review process.

20 Sec. 361. The department will notify the senate and house
21 appropriations subcommittees on transportation, the senate and
22 house fiscal agencies, and the state budget director of any changes
23 to the services or function of the multi-modal transportation
24 services program as approved by the state transportation
25 commission.

26 Sec. 370. From the funds appropriated in part 1, the
27 department shall maintain a complaint process to enforce the

1 charter service prohibition contained in section 10e of 1951 PA 51,
2 MCL 247.660e. The complaint process shall be independent from the
3 charter service complaint process administered by the federal
4 department of transportation, federal transit administration under
5 49 CFR part 604. The process shall allow complainants to file
6 written complaints with the director, either through the United
7 States mail or through the department's Internet site. The process
8 shall allow complainants and respondents to provide evidence to the
9 director regarding the alleged complaint. The director shall
10 dispose of all complaints within 120 days after receipt.

11 Sec. 374. The department shall produce and distribute all
12 employee newsletters electronically.

13 Sec. 375. The department is prohibited from reimbursing
14 contractors or consultants for costs associated with groundbreaking
15 ceremonies, receptions, open houses, or press conferences related
16 to transportation projects funded, in whole or in part, by revenue
17 appropriated in part 1.

18 Sec. 376. No later than October 15, 2006, the department shall
19 report to the senate and house of representatives appropriations
20 subcommittees on transportation on the status of the 17 projects
21 that were initially deferred in the department's 5-year plan in
22 2003 and subsequently restored.

23 Sec. 379. The department shall not spend any comprehensive
24 transportation fund revenue appropriated in part 1 on operational
25 planning for an eligible authority or eligible governmental agency
26 in accordance with section 10b(3) of 1951 PA 51, MCL 247.660b.

27 Sec. 380. (1) The department only shall use those

1 appropriations contained in sections 114 and 115 to support the
2 operations of the multi-modal transportation services bureau.
3 Except as provided in subsection (2), the department is prohibited
4 from charging any costs associated with the multi-modal
5 transportation services bureau to any appropriation in part 1,
6 other than the appropriations contained in sections 114 and 115,
7 regardless of their funding source without an approved legislative
8 transfer or an enacted supplemental appropriations bill.

9 (2) Funds not appropriated in sections 114 and 115 may be used
10 to fund costs associated with multi-modal transportation services,
11 aeronautics, or freight safety services activities related to
12 federally eligible costs for project management, inspection, and
13 administration of federally funded projects and for construction of
14 safety inspections of rail projects.

15 Sec. 381. No funds appropriated in part 1 shall be used to pay
16 for the costs associated with the production or airing of a
17 television program by the department, unless the program addresses
18 traffic or safety advisories.

19 Sec. 383. (1) The department, with assistance from the
20 departments of state police, natural resources, and military and
21 veterans affairs, shall prepare a quarterly report on all travel by
22 executive branch employees on state-owned, noncombat aircraft. The
23 report shall include, by department, the name of the traveler, the
24 travel origination location, the travel destination location, type
25 of aircraft, and the total estimated costs associated with the air
26 travel.

27 (2) From the funds appropriated in part 1, the department is

1 prohibited from transporting employees of institutions of higher
2 education on state-owned aircraft.

3 (3) From the funds appropriated in part 1, the department is
4 prohibited from transporting legislators or legislative staff on
5 state-owned aircraft without prior approval from the senate
6 majority leader and/or the speaker of the house of representatives.

7 (4) From the funds appropriated in part 1, the department is
8 prohibited from transporting local government employees on state-
9 owned aircraft.

10 (5) It is the intent of the legislature that state elected
11 officials use commercial or other private air service, unless air
12 travel on state-owned aircraft is part of official state business.

13 Sec. 391. It is the intent of the legislature that there be
14 established within the department 2 separate deputy director
15 positions with responsibility for public transportation programs.
16 One position shall function as chief administrative officer for all
17 public transportation programs, as defined by section 10c of 1951
18 PA 51, MCL 247.600c, other than aeronautics programs. The second
19 position shall function as the director of aeronautics as
20 established in section 27 of the state aeronautics code, 1947 PA
21 327, MCL 257.27.

22 Sec. 392. (1) The department shall work with the department of
23 environmental quality and representatives of local road authorities
24 to develop and construct 1 or more test pavement overlay projects
25 utilizing a terminal blended rubberized asphalt paving mix
26 incorporating reclaimed scrap tires. From funds in the scrap tire
27 regulatory fund established in section 16908 of the natural

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resources and environmental protection act, 1994 PA 451, MCL 324.16908, \$350,000.00 is appropriated to assist in the development and construction of the test project or projects. It is the intent of the legislature that this appropriation be used to offset the marginal additional costs associated with the use of terminal blended rubberized asphalt paving mixes.

(2) Not later than September 30, 2007, the department shall report on the test project or projects. The report shall be distributed to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies. It is the intent of the legislature that the department monitor and annually report on the performance of the test sections of pavement for a period of not less than 5 years. The report shall include all of the following:

(a) An analysis of pavement performance, including ride quality, noise reduction, surface distress, and durability characteristics of the test pavement in relation to standard bituminous mixes in similar applications.

(b) A discussion of the estimated additional life-cycle cost of the test pavement.

(c) The estimated number of recycled tires used in the test projects.

[Sec. 393. No funds appropriated in part 1 may be expended for the study of a new crossing of the Detroit River between Detroit, Michigan and Windsor, Ontario without prior approval of the house and senate committees on transportation.]

FEDERAL

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of

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1 representatives appropriations transportation subcommittees and the
2 senate and house fiscal agencies, the federal amounts and
3 categories authorized and the department's recommendation for
4 distribution of these funds. If a recommendation or recommendations
5 are not approved within 30 business days by both the senate and
6 house of representatives appropriations transportation
7 subcommittees, then the recommendation or recommendations shall be
8 considered as disapproved. If either the senate or house of
9 representatives appropriations transportation subcommittees
10 disapproves the proposed distribution, then the senate and house of
11 representatives appropriations transportation subcommittees and the
12 department shall hold a joint meeting to develop a final
13 distribution.

14 Sec. 402. A portion of the federal DOT-FHWA highway research,
15 planning, and construction funds made available to the state shall
16 be allocated to transportation programs administered by local
17 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
18 247.660o. A local road agency, with respect to a project approved
19 for federal aid funding in a state transportation improvement
20 program, may enter into a voluntary buyout agreement with the
21 department or with another local road agency to exchange the
22 federal aid with state restricted transportation funds as agreed to
23 by the respective parties. [The state-restricted transportation funds
24 received in exchange for federal aid shall be used for the same purpose
for which the federal aid had been programmed.]

MICHIGAN TRANSPORTATION FUND

25 Sec. 501. The money received under the motor carrier act, 1933
26 PA 254, MCL 475.1 to 479.43, and not appropriated to the department

1 of labor and economic growth or the department of state police is
2 deposited in the Michigan transportation fund.

3 Sec. 502. The department of treasury shall perform audits and
4 make investigations of the disposition of all state funds received
5 by county road commissions or county boards of commissioners, as
6 applicable, and cities and villages for transportation purposes to
7 determine compliance with the terms and conditions of 1951 PA 51,
8 MCL 247.651 to 247.675. County road commissions or county boards of
9 commissioners, as applicable, and cities and villages shall make
10 available to the department of treasury the pertinent records for
11 the audit.

12 Sec. 503. (1) The funds appropriated in part 1 for the
13 economic development and local bridge programs shall not lapse at
14 the end of the fiscal year but shall carry forward each fiscal year
15 for the purposes for which appropriated in accordance with 1987 PA
16 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
17 247.660.

18 (2) Interest earned in the department of transportation
19 economic development fund and local bridge fund shall remain in the
20 respective funds and shall be allocated to the respective programs
21 based on actual interest earned at the end of each fiscal year.

22 (3) The department of transportation economic development fund
23 and local bridge fund may receive and expend federal, local, or
24 private funds or restricted source funds such as interest earnings
25 for projects that are consistent with the programmatic mission of
26 the respective funds in addition to funds appropriated in part 1.

27 (4) None of the funds statutorily dedicated to the

1 transportation economic development fund and local bridge fund
2 shall be diverted to other projects.

3 Sec. 504. (1) Funds from the Michigan transportation fund
4 (MTF) shall be distributed to the comprehensive transportation fund
5 (CTF), the economic development fund (EDF), the recreation
6 improvement fund (RIF), and the state trunkline fund (STF), in
7 accordance with this article and part 711 of the natural resources
8 and environmental protection act, 1994 PA 451, MCL 324.71101 to
9 324.71108, and may only be used as specified in this article, 1951
10 PA 51, MCL 247.651 to 247.675, and part 711 of the natural
11 resources and environmental protection act, 1994 PA 451, MCL
12 324.71101 to 324.71108.

13 (2) The amounts appropriated and transferred to various state
14 agencies from part 1 shall be expended from the transportation
15 funds pursuant to annual contracts between the department and state
16 agencies providing tax and fee collection and other services
17 applicable to transportation funds. The contracts shall be executed
18 prior to the transfer of these funds. The contracts shall provide,
19 but are not limited to, the following data applicable to each state
20 agency:

21 (a) Estimated costs to be recovered from transportation funds.

22 (b) Description of services financed with transportation
23 funds.

24 (c) Detailed cost allocation methods that are appropriate to
25 the type of services being provided and the activities financed
26 with transportation funds.

27 (3) Two months after publication of the state of Michigan

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1 comprehensive annual financial report, each state agency receiving
2 an interdepartment and statutory contract from the department shall
3 submit a written report to the department, the state budget
4 director, and the house and senate fiscal agencies stating by
5 spending authorization account the amount of estimated funds
6 contracted with the department, the amount of funds expended, the
7 amount of funds returned to the transportation funds, and any
8 unreimbursed transportation-related costs incurred but not billed
9 to transportation funds. A copy of the report shall be submitted to
10 the auditor general and the report shall be subject to audit by the
11 auditor general.

[(4) In addition to the requirements of subsection (3), the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the Michigan department of treasury for state-restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.]

12 **STATE TRUNKLINE FUND**

13 Sec. 601. The department shall work with the road construction
14 industry and engineering consulting community to develop
15 performance and road construction warranties for construction
16 contracts. The development of warranties shall include warranties
17 on materials, workmanship, performance criteria, and design/build
18 projects. The department will report by September 30 of each
19 calendar year to the house of representatives and senate
20 appropriations subcommittees on transportation, the state budget
21 director, and the house and senate fiscal agencies on the status of
22 efforts to develop performance and road construction warranties.

23 Sec. 602. If the department uses manufactured pipe for road
24 construction drainage, the department shall require that pipe used
25 under certain load-bearing conditions beneath the roadway meets the
26 standards established by the American society for testing and

1 materials (ASTM) or American association of state highway and
2 transportation officials (AASHTO). The department may also use the
3 mandrel test for manufactured pipe 60 days after installation and
4 provide a summary of the results of these inspections to the house
5 of representatives and senate appropriations subcommittees on
6 transportation and house and senate fiscal agencies.

7 Sec. 603. The department shall use traffic congestion as 1 of
8 the criteria in determining the priorities for designating which
9 roads shall be remediated in its 5-year road plan, which must be
10 submitted on or before February 1, 2007. Criteria for evaluating
11 traffic congestion shall include, but not be limited to,
12 coordination with local, county, and regional planning, improvement
13 in traffic operations, improvement in physical roadway conditions,
14 accident reduction, and coordination with area public
15 transportation planning.

16 Sec. 607. Funding shall be made available for the remediation
17 of unsafe pedestrian crossings on state highways. Funds from this
18 appropriation may be expended only as matching funds for up to 50%
19 of project cost with additional project funding to be provided by
20 local units of government or through private contributions.
21 Selected projects shall require the approval of the transportation
22 commission. Maintenance of pedestrian overpasses constructed from
23 funds made available through this appropriation shall be the
24 responsibility of a local unit of government or public or private
25 institutions of higher education.

26 Sec. 610. It is the intent of the legislature that the
27 department have as a priority the removal of dead deer and other

1 large animal remains from the traveled portion and shoulder of
2 state highways. The department, and counties that perform state
3 highway maintenance under contract, shall remove animal remains,
4 wherever practicable, away from the traveled portion and shoulder
5 of state highways.

6 Sec. 611. From the appropriations in part 1, the department
7 shall use high-quality pavement marking materials for all state
8 trunkline projects with a design life of 10 years or greater. The
9 department shall coordinate with material suppliers, equipment
10 manufacturers, and application contractors to ensure cost-effective
11 improvements in durability and retro-reflectivity. The department
12 shall identify pilot projects for demonstration of wet reflective
13 characteristics. The department shall submit a report to both the
14 house and senate appropriations committees and the house and senate
15 fiscal agencies by January 31, 2007, that provides a report on the
16 wet reflective pilot projects and the use of high-quality pavement
17 marking materials in coordination with material suppliers,
18 equipment manufacturers, and application contractors.

19 Sec. 612. The department shall establish guidelines governing
20 incentives and disincentives provided under contracts for state
21 trunkline projects. The guidelines shall include specific financial
22 information concerning incentives and disincentives. On or before
23 January 1, 2007, the department shall prepare a report for the
24 immediately preceding fiscal year regarding contract incentives and
25 disincentives. This report shall include a list, by project, of the
26 contractors that received contract incentives and/or disincentives,
27 the amount of the incentives and/or disincentives, and the number

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of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

[Sec. 613. From the funds appropriated in part 1, not less than \$500,000.00 shall be expended for the implementation of a comprehensive signage program on I-94, US-127, US-223, M-50, US-23, and I-69 to assist traffic coming from all directions to the Michigan international speedway.

Sec. 614. From the funds appropriated in part 1, not less than \$15,000,000.00 shall be expended to widen US-127 to 4 lanes between M-50 and US-12.]

Sec. 654. It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

[Sec. 655. It is the intent of the legislature that the department expend not less than \$32,000.00 for a safe routes to schools project in Eaton Rapids, Michigan, involving extension of and improvements to sidewalks along North State Street from Gould to beyond Greyhound Drive, as well as connecting streets in neighborhoods near Eaton Rapids High School, Eaton Rapids Middle School, Greyhound Intermediate School, and Lockwood Elementary School.

Sec. 656. It is the intent of the legislature that the department upgrade that section of M-49 from M-99 to US-12 to standards necessary for designation as a designated highway as provided under sections 717 and 718 of the Michigan vehicle code, 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a "green" special designated highway on the department's truck operator's map.

Sec. 657. It is the intent of the legislature that the department proceed with a congestion mitigation corridor study of US-23 from M-14 to I-96 in Washtenaw and Livingston counties, including environmental assessment of transportation improvements to US-23.]

COMPREHENSIVE TRANSPORTATION FUND

Sec. 701. Money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease

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19 of state-owned intercity bus equipment not returned to the lessee
20 of the equipment under terms of the lease agreement are deposited
21 in an intercity bus equipment fund for appropriation for the repair
22 of intercity bus equipment. At the close of the fiscal year, any
23 funds remaining in the intercity bus equipment fund shall remain in
24 the fund and be carried forward into the succeeding fiscal year.

25 Sec. 702. Money that is received by the state as repayment for
26 loans made for rail or water freight capital projects, and as a

1 result of the sale of property or equipment used or projected to be
2 used for rail or water freight projects shall be deposited in the
3 fund created by section 17 of the state transportation preservation
4 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
5 year, any funds remaining in the rail preservation fund shall
6 remain in the fund and be carried forward into the succeeding
7 fiscal year.

8 Sec. 703. After receiving notification from a railroad company
9 pursuant to section 8 of the state transportation preservation act
10 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
11 notify the house of representatives and senate appropriations
12 subcommittees on transportation and the state budget office that
13 the railroad company has filed with the appropriate governmental
14 agencies for abandonment of a line.

15 Sec. 705. Funds appropriated in part 1 for the rail
16 infrastructure loan program shall be credited to the rail
17 infrastructure loan fund established in section 15a of the state
18 transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

19 Sec. 706. The Detroit/Wayne County port authority shall issue
20 a complete operations assessment and a financial disclosure
21 statement. The operations assessment shall include operational
22 goals for the next 5 years and recommendations to improve land
23 acquisition and development efficiency. The report shall be
24 completed and submitted to the house of representatives and senate
25 appropriations subcommittees on transportation, the state budget
26 director, and the house and senate fiscal agencies by February 15
27 of each fiscal year for the prior fiscal year.

1 Sec. 707. (1) For the fiscal year ending September 30, 2007,
2 each eligible authority and each eligible governmental agency which
3 provides public transportation services in urbanized areas with a
4 Michigan population of less than or equal to 100,000 and
5 nonurbanized areas under section 5311 of title 49 of the United
6 States Code, 49 USC 5311, shall receive a grant of up to 60% of its
7 eligible operating expenses. Each eligible authority and each
8 eligible government agency which provides public transportation
9 services in urbanized areas with a Michigan population of greater
10 than 100,000 under section 5307 of title 49 of the United States
11 Code, 49 USC 5307, shall receive a grant of up to 50% of its
12 eligible operating expenses.

13 (2) If the department determines that the Detroit
14 transportation corporation is an eligible governmental agency as
15 defined in section 10c(c) of 1951 PA 51, MCL 247.660c, and is
16 eligible for operating grants under section 10e of 1951 PA 51, MCL
17 247.660e, the Detroit transportation corporation shall receive an
18 operating grant not to exceed the amount of the distribution it
19 received for eligible operating expenses for the fiscal year ending
20 September 30, 1997 as provided in section 10e(4)(a)(v) of 1951 PA
21 51, MCL 247.660e. The funding plan for capital construction costs
22 of the Detroit people mover project as described and provided under
23 1984 PA 243, 1985 PA 111, 1986 PA 207, 1987 PA 136, 1988 PA 271,
24 1989 PA 54, and 1990 PA 202 represents the only funding plan for
25 cost overruns and there is no provision or expectation of other
26 state money of any nature or character whatsoever for the
27 construction or operation of the project.

Sec. 708. If funds appropriated in part 1 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than \$1,000.00 per bus per year for their use.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba US-2

Between Escanaba and Duluth US-2 through Ironwood to the
state line

Between Calumet and Escanaba US-41

Between Escanaba and Milwaukee US-41 through Menominee to
the state line

Between St. Ignace and

Sault Ste. Marie I-75

Between Detroit and Chicago I-94 from Detroit to the
state line

Between Detroit and Muskegon I-96

Between Grand Rapids, Holland,

and Benton Harbor I-196 to I-94

Between Muskegon and Grand

Rapids	US-31, I-96
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Between Detroit and Bay City I-75

Between Bay City and Mount

Pleasant US-10, M-20

Between Jackson and Traverse US-127, US-27, I-75,

City Grayling,

Gaylord, M-72 to Traverse

1		City
2	Between Jackson and	I-69, I-94 to the state line
3	Indianapolis	through Albion, Marshall,
4		and Coldwater
5	Between Houghton Lake and	
6	Cadillac	M-55 and M-66
7	Between Detroit and Toledo	I-75 to the state line
8	Between the Indiana state line	
9	and Traverse City	US-31 and I-196
10	Between Detroit and Port Huron	I-375 and I-94
11	Between Toledo and Bay City	US-23, I-75, and I-675, I-75
12	Between Bay City and Chicago	I-75, Flint, I-69, I-94,
13		Battle Creek, I-94 to the
14		state line
15	Between Flint and Lansing	I-69, M-21, Owosso, M-52,
16		I-69
17	Between Bay City and St. Ignace	I-75, US-23
18	Between Grand Rapids and	US-131, Cadillac, M-115,
19	St. Ignace	Mesick, M-37 to Traverse
20		City, US-31, Acme, M-72,
21		Kalkaska, US-131, Boyne
22		Falls, M-75, Walloon Lake,
23		US-131, Petoskey, US-31,
24		I-75, St. Ignace
25	Between Kalamazoo and Grand	
26	Rapids	US-131
27	(2) Any changes to the essential corridor list in subsection	

1 (1) shall be approved by the house and senate appropriations
2 subcommittees on transportation.

3 Sec. 711. (1) From the funds appropriated in part 1 from the
4 comprehensive transportation fund for rail passenger service, the
5 department shall negotiate with a rail carrier to provide rail
6 service between Grand Rapids and Chicago and between Port Huron and
7 Chicago on a 7-day basis, consistent with the other provisions of
8 this section.

9 (2) Any state subsidy for rail passenger service between Grand
10 Rapids and Chicago and between Port Huron and Chicago shall be
11 limited to 50% of the portion of the cost not eligible for
12 reimbursement by the federal government and shall not exceed
13 \$7,100,000.00.

14 (3) The rail carrier shall, as a condition to receiving a
15 state operating subsidy, establish a system to monitor, collect,
16 and resolve customer complaints and shall make the information
17 available to the department, the house and senate appropriations
18 subcommittees on transportation, and the house and senate fiscal
19 agencies.

20 (4) The department shall submit a report to both the house and
21 senate appropriations committees and the house and senate fiscal
22 agencies by January 1, 2007 that provides a 5-year history on
23 services, ridership, and subsidies.

24 (5) Future state support for the service between Grand Rapids
25 and Chicago and Port Huron and Chicago is dependent on the
26 department's ability to provide a plan and a contract for services
27 that increase ridership and revenue, reduce operating costs, and

1 improve on-time performance. The department shall include a section
2 in the report required in subsection (4) detailing efforts to
3 reduce the dependence on state operating subsidies and projected
4 operating expenses for the next 2 years, and recommending service
5 alternatives, for the Grand Rapids to Chicago service and the Port
6 Huron to Chicago service.

7 (6) No state subsidy shall be provided from the funds
8 appropriated in part 1 if the chosen rail carrier is Amtrak and
9 Amtrak discontinued service or any portion of the service between
10 Port Huron and Chicago or Grand Rapids and Chicago during the
11 preceding fiscal year, unless the discontinuance of service was for
12 track maintenance or was caused by acts of God.

13 Sec. 714. (1) The department, in cooperation with local
14 transit agencies, shall work to ensure that demand-response
15 services are provided throughout Michigan. The department shall
16 continue to work with local units of government to address the
17 unmet transit needs in Michigan.

18 (2) The department shall report by March 1, 2007 on its
19 efforts to implement this section over the past 2 years.

20 Sec. 721. For federal transit administration bus acquisition
21 capital grants matched with CTF funds appropriated in part 1,
22 transit agencies shall have 4 years from the federal approval date
23 to carry out their projects. Contract line items unobligated 4
24 years after the federal approval date may be matched with CTF funds
25 only up to 15% in the fifth and subsequent years. "Unobligated"
26 means any line item in the contract that is not committed to a
27 third party or purchase order. A waiver shall be granted by the

1 department for an additional year with documented justification
2 from the transit agency accompanied by a resolution from the board
3 or authority seeking a waiver. If a transit agency does not carry
4 out a line item activity in a specific authorization and the
5 transit agency requests funds in a new authorization for that same
6 activity, the line item shall be matched at up to 15%. This section
7 applies only to bus acquisition capital grants. Lapsed funds under
8 this section shall remain in the CTF.

9 Sec. 722. From the funds appropriated in part 1 for
10 transportation to work from the CTF, sufficient funds shall be used
11 as a match for job access reverse commute grants for local transit
12 agencies.

13 Sec. 729. From the funds appropriated in section 117 for
14 intercity bus service development, \$100,000.00 shall be used for
15 lost ridership support and/or marketing efforts to increase
16 awareness of intercity bus service, increase ridership on intercity
17 bus carriers, and improve coordination of intercity bus service in
18 Michigan.

19 Sec. 730. The department shall sell all state-owned intercity
20 bus equipment within 6 months of termination of lease agreements
21 with intercity bus carriers. The proceeds from the sale of state-
22 owned intercity bus equipment under this section shall be deposited
23 in the intercity bus equipment fund, consistent with section 701.

24 Sec. 731. The department shall charge public transit agencies
25 and intercity bus carriers equal rates per square foot for leasing
26 space in state-owned intermodal facilities.

27 Sec. 732. (1) From the funds appropriated in part 1 for local

1 bus operating, eligible authorities and eligible governmental
2 agencies receiving grants under section 10e of 1951 PA 51, MCL
3 247.660e, shall equip vehicles with necessary operational lifts and
4 certify to the department, in a format specified by the department,
5 that those lifts are maintained and cycled on a regularly scheduled
6 basis to ensure operability consistent with authority granted to
7 the department under 1951 PA 51, MCL 247.651 to 247.675.

8 (2) The department shall ensure that transit agencies have
9 adequate wheelchair lifts available on demand response vehicles to
10 meet the needs of persons with disabilities.

11 Sec. 734. (1) The department shall ensure that all public
12 transit agencies provide the highest quality public transit service
13 by moving people in a cost-effective, safe, and user-friendly
14 manner that maintains and attracts residents and businesses.

15 (2) Public transit agencies receiving funds under part 1 shall
16 do all of the following:

17 (a) Provide efficient, cost-effective, safe, well-maintained,
18 reliable, customer-driven transportation services.

19 (b) Provide a quality work environment that has and fulfills
20 employee performance, productivity, and development standards.

21 (c) Identify and capture all available funding or create cost-
22 effective programs to eliminate debt and have a balanced budget.

23 (d) Maintain sufficient local and community funding.

24 (e) Support business development by providing transportation
25 to areas of employment and commerce, emerging or established
26 businesses, and health care facilities.

27 Sec. 736. From the funds appropriated in part 1, the

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1 department shall work with intercity rail and bus passenger
2 carriers to coordinate intercity passenger transportation in
3 Michigan. The department shall assist in the coordination of
4 intercity routes, schedules, and facilities.

5 Sec. 737. It is the intent of the legislature that the
6 department proceed with the construction of a Birmingham/Troy
7 intermodal passenger facility.

[Sec. 738. It is the intent of the legislature that sufficient
funds be allocated from the appropriation in section 117 to complete the
rehabilitation of rail track between Hillsdale to Quincy.]

8 **AERONAUTICS FUND**

9 Sec. 801. At the close of the fiscal year, any unobligated and
10 unexpended balance in the state aeronautics fund created in the
11 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
12 to 259.208, shall lapse to the state aeronautics fund and be
13 appropriated by the legislature in the immediately succeeding
14 fiscal year.

15 Sec. 805. State aeronautics funds appropriated in part 1 for
16 airport safety and protection plan debt service are transferred to
17 the comprehensive transportation fund and are appropriated for the
18 purpose of reimbursing comprehensive transportation fund debt
19 service obligations for the airport safety and protection plan
20 program.

21 ARTICLE 20

22 MISCELLANEOUS

23 PART 1

24 Sec. 501. As used in this act:

1 (a) "Effective government" means government is effective,
2 efficient, and accountable.

3 (b) "Health" means people are healthy.

4 (c) "Kids succeeding" means kids are succeeding in school.

5 (d) "Mobility" means people and goods move around the state
6 quickly and efficiently.

7 (e) "Prepared for jobs" means people are prepared for jobs and
8 the new economy.

9 (f) "Resource conservation" means our natural resources are
10 conserved and protected.

11 (g) "Safety" means people are safe where they live, work, and
12 play.

13 (h) "Thriving economy" means the economy is thriving and
14 people are working.

15 (i) "Vulnerable" means the most vulnerable live free from harm
16 and as self-sufficiently as possible.