

No. 117
STATE OF MICHIGAN
JOURNAL
OF THE
House of Representatives
94th Legislature
REGULAR SESSION OF 2007

House Chamber, Lansing, Wednesday, October 31, 2007.

12:30 a.m.

The House was called to order by the Speaker Pro Tempore.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Accavitti—present	Dillon—present	Lahti—present	Pearce—present
Acciavatti—present	Donigan—present	LaJoy—present	Polidori—present
Agema—present	Ebli—present	Law, David—present	Proos—present
Amos—present	Elsenheimer—present	Law, Kathleen—present	Robertson—present
Angerer—present	Emmons—present	LeBlanc—present	Rocca—present
Ball—present	Espinoza—present	Leland—present	Sak—present
Bauer—present	Farrah—present	Lemmons—present	Schuitmaker—present
Bennett—present	Gaffney—present	Lindberg—present	Scott—present
Bieda—present	Garfield—present	Marleau—present	Shaffer—present
Booher—present	Gillard—present	Mayes—present	Sheen—present
Brandenburg—present	Gonzales—present	McDowell—present	Sheltrown—present
Brown—present	Green—present	Meadows—present	Simpson—present
Byrnes—present	Griffin—present	Meekhof—present	Smith, Alma—present
Byrum—present	Hammel—present	Meisner—present	Smith, Virgil—present
Calley—present	Hammon—present	Melton—present	Spade—present
Casperson—present	Hansen—present	Meltzer—present	Stahl—present
Caswell—present	Hildenbrand—present	Miller—present	Stakoe—present
Caul—present	Hood—present	Moolenaar—present	Steil—present
Cheeks—present	Hoogendyk—present	Moore—present	Tobocman—present
Clack—present	Hopgood—present	Moss—present	Vagnozzi—present
Clemente—present	Horn—present	Nitz—present	Valentine—present
Condino—present	Huizenga—present	Nofs—present	Walker—present
Constan—present	Hune—present	Opsommer—present	Ward—excused
Corriveau—present	Jackson—present	Palmer—present	Warren—present
Coulouris—present	Johnson—present	Palsrok—present	Wenke—present
Cushingberry—present	Jones, Rick—present	Pastor—present	Wojno—present
Dean—present	Jones, Robert—present	Pavlov—present	Young—present
DeRoche—e/d/s	Knollenberg—present		

e/d/s = entered during session

Rep. Jack Hoogendyk, from the 61st District, offered the following invocation:

“Our Father, who art in heaven,
Hallowed be Thy Name,
Thy Kingdom come,
Thy will be done,
On earth as it is in heaven.
Give us this day our daily bread.
And forgive us our trespasses,
As we forgive those who trespass against us.
And lead us not into temptation,
But deliver us from evil.
For Thine is the kingdom,
And the power, and the glory, for ever and ever.
Amen.
Matthew 6:10-13.”

Rep. Hansen moved that Rep. Ward be excused from today’s session.
The motion prevailed.

Reports of Select Committees

Senate Bill No. 229, entitled

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2008; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect. The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 229, entitled

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2008; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

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

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative

branch for the fiscal year ending September 30, 2008; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, 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, 2008, 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	7,278.9	
GROSS APPROPRIATION		\$ 3,123,867,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		646,767,400
ADJUSTED GROSS APPROPRIATION		\$ 2,477,100,500
Federal revenues:		
Total federal revenues		108,396,800
Special revenue funds:		
Total local revenues		2,800,700
Total private revenues		1,262,900
Total other state restricted revenues		1,703,781,000
State general fund/general purpose		\$ 660,859,100

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	556.0	
GROSS APPROPRIATION		\$ 73,124,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		21,780,300
ADJUSTED GROSS APPROPRIATION		\$ 51,343,900
Federal revenues:		
Total federal revenues		7,816,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		11,491,300
State general fund/general purpose		\$ 32,036,600

(2) ATTORNEY GENERAL OPERATIONS

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	556.0	
Attorney general		\$ 124,900
Unclassified positions—5.0 FTE positions.....		476,300
Attorney general operations—519.0 FTE positions.....		66,825,900
Child support enforcement—25.0 FTE positions.....		2,943,100
Prosecuting attorneys coordinating council—12.0 FTE positions.....		1,986,100
GROSS APPROPRIATION		\$ 72,356,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, health services.....		\$ 1,840,200
IDG from MDCH, WIC		70,000
IDG from DOC		279,100

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IDG from MDE.....	50,000
IDG from MDEQ.....	1,740,000
IDG from MDHS.....	3,329,300
IDG from MDLEG, career education services.....	186,100
IDG from MDLEG, children's protection registry.....	36,200
IDG from MDLEG, financial and insurance services.....	1,102,100
IDG from MDLEG, homeowners construction lien recovery fund.....	304,900
IDG from MDLEG, licensing and regulation fees.....	175,700
IDG from MDLEG, Michigan occupational safety and health administration.....	98,700
IDG from MDLEG, Michigan state housing development authority.....	518,500
IDG from MDLEG, remonumentation fees.....	77,500
IDG from MDLEG, unemployment insurance agency.....	1,627,100
IDG from MDMB, risk management revolving fund.....	1,356,400
IDG from DMVA.....	118,900
IDG from MDOT, comprehensive transportation fund.....	159,000
IDG from MDOT, state aeronautics fund.....	156,900
IDG from MDOT, state trunkline fund.....	2,807,200
IDG from MDSP, Michigan justice training fund.....	325,000
IDG from MDSP.....	279,100
IDG from Michigan gaming control board.....	1,085,300
IDG from treasury.....	3,927,900
IDG from treasury, strategic fund.....	129,200
Federal revenues:	
DAG, state administrative match grant/food stamps.....	387,700
Federal funds.....	2,485,800
HHS, medical assistance, medigant.....	649,200
HHS-OS, state Medicaid fraud control units.....	4,293,300
Special revenue funds:	
Antitrust enforcement collections.....	650,000
Attorney general's operations fund.....	873,400
Auto repair facilities fees.....	233,600
Franchise fees.....	299,200
Game and fish protection fund.....	767,800
Liquor purchase revolving fund.....	1,059,600
Manufactured housing fees.....	196,300
Merit award trust fund.....	406,700
Prisoner reimbursement.....	460,800
Prosecuting attorneys' training fees.....	375,000
Public utility assessments.....	1,830,600
Real estate enforcement fund.....	550,000
Reinstatement fees.....	160,000
Retirement funds.....	754,600
Second injury fund.....	999,800
Self-insurers security fund.....	174,400
Silicosis and dust disease fund.....	533,700
State building authority revenue.....	98,200
State lottery fund.....	248,700
Utility consumers fund.....	559,700
Waterways fund.....	100,200
Worker's compensation administrative revolving fund.....	159,000
State general fund/general purpose.....	\$ 31,268,700
(3) INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 767,900
GROSS APPROPRIATION.....	\$ 767,900
Appropriated from:	
State general fund/general purpose.....	\$ 767,900

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Sec. 103. DEPARTMENT OF CIVIL RIGHTS

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	5.0	
Full-time equated classified positions	136.0	
GROSS APPROPRIATION		\$ 14,491,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 14,491,300
Federal revenues:		
Total federal revenues		2,054,100
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose		\$ 12,437,200

(2) CIVIL RIGHTS OPERATIONS

Full-time equated unclassified positions	5.0	
Full-time equated classified positions	136.0	
Unclassified positions—5.0 FTE positions		\$ 264,700
Civil rights operations—136.0 FTE positions		13,433,100
Human resources optimization user charges		8,700
GROSS APPROPRIATION		\$ 13,706,500

Appropriated from:

Federal revenues:		
EEOC, state and local antidiscrimination agency contracts		1,283,500
HUD, grant		770,600
State general fund/general purpose		\$ 11,652,400

(3) INFORMATION TECHNOLOGY

Information technology services and projects		\$ 784,800
GROSS APPROPRIATION		\$ 784,800

Appropriated from:

State general fund/general purpose		\$ 784,800
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Sec. 104. EXECUTIVE OFFICE

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	10.0	
Full-time equated classified positions	74.2	
GROSS APPROPRIATION		\$ 5,317,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 5,317,300
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose		\$ 5,317,300

(2) EXECUTIVE OFFICE OPERATIONS

Full-time equated unclassified positions	10.0	
Full-time equated classified positions	74.2	
Governor		\$ 177,000
Lieutenant governor		\$ 123,900
Executive office—74.2 FTE positions		4,166,600
Unclassified positions—8.0 FTE positions		849,800
GROSS APPROPRIATION		\$ 5,317,300

Appropriated from:

State general fund/general purpose		\$ 5,317,300
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Sec. 105. DEPARTMENT OF INFORMATION TECHNOLOGY

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,774.4	
GROSS APPROPRIATION.....		\$ 428,868,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		428,868,100
ADJUSTED GROSS APPROPRIATION		\$ 0
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose		\$ 0

(2) ADMINISTRATION

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,774.4	
Unclassified positions—6.0 FTE positions.....		\$ 300,000
Enterprisewide services—75.0 FTE positions		22,980,300
Health and human services—773.6 FTE positions		247,847,100
Education services—38.9 FTE positions		3,569,000
Public protection—302.0 FTE positions.....		47,779,000
Resources services—171.1 FTE positions.....		17,372,300
Transportation services—107.0 FTE positions		28,145,500
General services—306.8 FTE positions		60,874,900
GROSS APPROPRIATION.....		\$ 428,868,100

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of agriculture.....		1,531,500
IDG from department of attorney general		767,900
IDG from civil rights		784,800
IDG from department of civil service		3,838,000
IDG from department of community health		51,876,600
IDG from department of corrections		17,633,200
IDG from department of education		2,826,400
IDG from department of environmental quality		7,466,300
IDG from Michigan gaming control board.....		1,320,000
IDG from department of history, arts, and libraries		1,099,200
IDG from department of human services		154,450,500
IDG from department of labor and economic growth.....		42,799,100
IDG from bureau of state lottery.....		4,549,600
IDG from department of management and budget.....		28,598,900
IDG from department of military and veterans affairs		1,187,500
IDG from department of natural resources		8,901,700
IDG from department of state		24,415,600
IDG from department of state police.....		27,937,000
IDG from department of transportation		28,483,300
IDG from department of treasury		18,401,000
State general fund/general purpose		\$ 0

Sec. 106. LEGISLATURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....		\$ 114,504,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 114,504,000

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Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	400,000
Total other state restricted revenues	1,109,800
State general fund/general purpose	\$ 112,994,200
(2) LEGISLATURE	
Senate	\$ 29,126,400
Senate automated data processing	2,549,600
Senate fiscal agency.....	3,219,200
House of representatives	45,515,800
House automated data processing.....	2,024,900
House fiscal agency	3,219,200
GROSS APPROPRIATION.....	\$ 85,655,100
Appropriated from:	
State general fund/general purpose	\$ 85,655,100
(3) LEGISLATIVE COUNCIL	
Legislative council.....	\$ 10,014,100
Legislative service bureau automated data processing	1,374,800
Worker's compensation	133,000
National association dues.....	97,900
GROSS APPROPRIATION.....	\$ 11,619,800
Appropriated from:	
Special revenue funds:	
Private - gifts and bequests revenues	400,000
State general fund/general purpose	\$ 11,219,800
(4) LEGISLATIVE RETIREMENT SYSTEM	
General nonretirement expenses.....	\$ 4,533,900
GROSS APPROPRIATION.....	\$ 4,533,900
Appropriated from:	
Special revenue funds:	
Court fees	1,109,800
State general fund/general purpose	\$ 3,424,100
(5) PROPERTY MANAGEMENT	
Capitol building	\$ 2,363,700
Cora Anderson building	8,763,600
Farnum building and other properties	1,567,900
GROSS APPROPRIATION.....	\$ 12,695,200
Appropriated from:	
State general fund/general purpose	\$ 12,695,200
Sec. 107. LEGISLATIVE AUDITOR GENERAL	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION.....	\$ 15,828,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	1,801,500
ADJUSTED GROSS APPROPRIATION	\$ 14,026,700
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	\$ 0
Total private revenues	0
Total other state restricted revenues	1,539,900
State general fund/general purpose	\$ 12,486,800
(2) OFFICE OF THE AUDITOR GENERAL	
Unclassified positions	\$ 313,500
Field operations	15,514,700
GROSS APPROPRIATION.....	\$ 15,828,200

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Appropriated from:

Interdepartmental grant revenues:

IDG from MDCS	107,900
IDG from MDLEG, liquor purchase revolving fund	11,300
IDG from MDOT, comprehensive transportation fund	25,200
IDG from MDOT, Michigan transportation fund.....	204,300
IDG from MDOT, state aeronautics fund	19,600
IDG from MDOT, state trunkline fund.....	474,600
IDG, single audit act.....	958,600

Special revenue funds:

Cadillac local development finance authority.....	12,000
Clean Michigan initiative implementation bond fund.....	37,500
Commercial mobile radio system emergency telephone fund.....	37,500
Construction lien fund.....	7,200
Contract audit administration fees.....	52,700
Correctional industries revolving fund	31,300
Fee adequacy, air quality delegated authority	9,400
Game and fish protection fund	21,400
Legislative retirement system.....	18,700
Marine safety fund.....	1,900
Michigan economic development corporation	41,200
Michigan education trust fund.....	30,000
Michigan justice training commission fund.....	28,100
Michigan state fair revolving fund.....	33,000
Michigan state housing development authority fees	22,100
Michigan strategic fund	87,500
Michigan tobacco settlement authority.....	75,000
Michigan veterans' trust fund	24,400
Motor transport revolving fund	4,700
Office services revolving fund	6,800
State disbursement unit, office of child support	25,000
State services fee fund	926,900
Waterways fund	5,600
State general fund/general purpose	\$ 12,486,800

Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	7.0
Full-time equated classified positions	988.0
GROSS APPROPRIATION.....	\$ 504,898,400

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	162,686,100
ADJUSTED GROSS APPROPRIATION	\$ 342,212,300

Federal revenues:

Total federal revenues	4,779,100
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Special revenue funds:

Total local revenues	1,700,000
Total private revenues	150,000
Total other state restricted revenues	\$ 68,104,000
State general fund/general purpose	\$ 267,479,200

(2) MANAGEMENT AND BUDGET SERVICES

Full-time equated unclassified positions	6.0
Full-time equated classified positions	584.0
Unclassified positions—6.0 FTE positions.....	\$ 636,500
Executive operations—20.5 FTE positions.....	2,449,100
Administrative services—60.5 FTE positions	6,382,500
Budget and financial management—112.5 FTE positions	10,832,000
Office of the state employer—23.0 FTE positions	2,785,100

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Design and construction services—40.0 FTE positions	5,337,400
Business support services—86.5 FTE positions	7,934,800
Building operation services—241.0 FTE positions	88,294,800
Building occupancy charges, rent, and utilities	4,203,000
Human resources optimization user charges.....	66,000
Motor vehicle fleet.....	56,861,600
GROSS APPROPRIATION.....	\$ 185,782,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, comprehensive transportation fund	60,000
IDG from MDOT, state aeronautics fund	37,600
IDG from MDOT, state trunkline fund.....	1,454,700
IDG from building occupancy and parking charges	91,136,800
IDG from department of labor and economic growth.....	100,000
IDG from motor transport fund.....	56,861,600
IDG from MDCH.....	433,300
IDG from MDHS	170,500
IDG from user fees	5,335,100
Special revenue funds:	
Game and fish protection fund	268,800
Health management funds	1,719,600
Marine safety fund.....	23,300
Special revenue, internal service, and pension trust funds	9,013,600
State building authority revenue	621,200
State lottery fund	110,700
State services fee fund	74,000
Waterways fund	61,600
State general fund/general purpose	\$ 18,300,400
(3) STATEWIDE APPROPRIATIONS	
Professional development fund - MPES	\$ 125,000
Professional development fund - AFSCME.....	50,000
Professional development fund - NEREs	38,000
Professional development fund - MSCs	116,000
GROSS APPROPRIATION.....	\$ 329,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions	329,000
State general fund/general purpose	\$ 0
(4) SPECIAL PROGRAMS	
Full-time equated classified positions.....	154.5
Building occupancy charges - property management services for executive/legislative building occupancy.....	\$ 1,854,100
Retirement services—140.5 FTE positions.....	16,793,100
Office of children’s ombudsman—14.0 FTE positions	1,396,500
GROSS APPROPRIATION.....	\$ 20,043,700
Appropriated from:	
Special revenue funds:	
Deferred compensation	\$ 1,542,400
Pension trust funds.....	15,250,700
State general fund/general purpose	\$ 3,250,600
(5) STATE FAIR	
Full-time equated unclassified positions	1.0
Full-time equated classified positions	9.0
Unclassified positions—1.0 FTE positions.....	\$ 101,000
Michigan state fair operations—9.0 FTE positions	6,399,300
Michigan state fair information technology.....	88,800
GROSS APPROPRIATION.....	\$ 6,589,100

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Appropriated from:	
Special revenue funds:	
State exposition and fairgrounds fund	6,589,100
State general fund/general purpose	\$ 0
(6) INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 28,510,100
GROSS APPROPRIATION	\$ 28,510,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, comprehensive transportation fund	2,100
IDG from MDOT, state aeronautics fund	1,100
IDG from MDOT, state trunkline fund	47,500
IDG from building occupancy and parking charges	654,100
IDG from user fees	186,800
Special revenue funds:	
Deferred compensation	2,600
Game and fish protection fund	9,800
Health management funds	41,700
Marine safety fund	900
MAIN user charges	4,209,200
Pension trust funds	6,802,100
Special revenue, internal service, and pension trust funds	2,554,600
State building authority revenue	9,700
State lottery fund	4,600
Waterways fund	2,000
State general fund/general purpose	\$ 13,981,300
(7) STATE BUILDING AUTHORITY RENT	
State building authority rent - state agencies	\$ 56,616,700
State building authority rent - department of corrections	46,867,700
State building authority rent - universities	104,280,900
State building authority rent - community colleges	19,056,800
GROSS APPROPRIATION	\$ 226,822,100
Appropriated from:	
Special revenue funds:	
State lottery fund	1,520,000
State general fund/general purpose	\$ 225,302,100
(8) CIVIL SERVICE OPERATIONS	
Full-time equated classified positions240.5	
Agency services—118.5 FTE positions	\$ 13,255,400
Executive direction—45.0 FTE positions	8,166,200
Employee benefits—31.0 FTE positions	5,873,200
Audit and compliance—16.0 FTE positions	2,168,900
Training	1,300,000
Human resources optimization—30.0 FTE positions	2,205,000
Information technology services and projects	\$ 3,852,900
GROSS APPROPRIATION	\$ 36,821,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges	1,300,000
IDG, 1% special funds	1,300,000
IDG, human resources optimization user charges	3,275,900
Federal revenues:	
Federal funds 1%	4,779,100
Special revenue funds:	
Local funds 1%	1,700,000
Private funds 1%	150,000
Freedom of information fees	1,100

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State restricted funds 1%	9,007,200
State sponsored group insurance	2,650,000
State sponsored group insurance, flexible spending accounts and COBRA.....	6,013,500
State general fund/general purpose	\$ 6,644,800
Sec. 109. DEPARTMENT OF STATE	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	1,853.8
GROSS APPROPRIATION.....	\$ 207,681,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	20,000,000
ADJUSTED GROSS APPROPRIATION	\$ 187,681,400
Federal revenues:	
Total federal revenues	1,911,200
Special revenue funds:	
Total local revenues	0
Total private revenues	100
Total other state restricted revenues	156,972,900
State general fund/general purpose	\$ 28,797,200
(2) EXECUTIVE DIRECTION	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	30.2
Secretary of state	\$ 124,900
Unclassified positions—5.0 FTE positions.....	459,200
Operations—30.2 FTE positions	2,821,300
GROSS APPROPRIATION.....	\$ 3,405,400
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees	60,500
Driver fees	127,200
Expedient service fees.....	54,100
Parking ticket court fines	8,300
Personal identification card fees	12,700
Reinstatement fees - operator licenses	137,300
Transportation administration collection fund.....	2,069,100
Vehicle theft prevention fees.....	35,600
State general fund/general purpose	\$ 900,600
(3) DEPARTMENT SERVICES	
Full-time equated classified positions	166.3
Operations—159.8 FTE positions	\$ 23,718,500
Assigned claims assessments—6.5 FTE positions.....	771,300
GROSS APPROPRIATION.....	\$ 24,489,800
Appropriated from:	
Federal revenues:	
Federal funds	\$ 1,200
Special revenue funds:	
Abandoned vehicle fees	468,600
Assigned claims assessments	771,300
Auto repair facilities fees.....	415,000
Child support clearance fees	34,300
Driver fees	427,900
Expedient service fees.....	253,200
Marine safety fund.....	76,000
Off-road vehicle title fees	7,800
Parking ticket court fines	52,700
Personal identification card fees	84,600
Reinstatement fees - operator licenses	547,800

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Scrap tire fund	69,900
Snowmobile registration fee revenue	18,100
Transportation administration collection fund	19,138,400
Vehicle theft prevention fees	243,400
State general fund/general purpose	\$ 1,879,600

(4) REGULATORY SERVICES

Full-time equated classified positions	245.6
Operations—243.6 FTE positions	\$ 22,216,000
Motorcycle safety education administration—2.0 FTE positions	360,000
Motorcycle safety grants	1,430,000
County clerk education and training fund	100,000
GROSS APPROPRIATION	\$ 24,106,000

Appropriated from:

Federal revenues:

Federal funds	3,500
Special revenue funds:	
Auto repair facilities fees	4,144,800
Driver education provider and instructor fund	72,900
Driver fees	1,970,300
Expedient service fees	34,400
Motorcycle safety fund	1,790,000
Notary education and training fund	100,000
Notary fee fund	314,000
Parking ticket court fines	20,700
Personal identification card fees	49,300
Reinstatement fees - operator licenses	1,762,500
Transportation administration collection fund	11,024,300
Vehicle theft prevention fees	1,330,900
State general fund/general purpose	\$ 1,488,400

(5) CUSTOMER DELIVERY SERVICES

Full-time equated classified positions	1,383.2
Branch operations—933.9 FTE positions	\$ 72,263,600
Central operations—433.1 FTE positions	38,486,400
Commemorative license plates—16.2 FTE positions	2,147,300
Specialty license plates	1,922,000
Olympic center plate	75,700
Organ donor program	104,100
GROSS APPROPRIATION	\$ 114,999,100

Appropriated from:

Interdepartmental grant revenues:

IDG from MDOT, Michigan transportation fund	20,000,000
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Federal revenues:

Federal funds	\$ 1,556,500
Special revenue funds:	
Private funds	100
Abandoned vehicle fees	197,600
Auto repair facilities fees	93,100
Child support clearance fees	295,500
Driver fees	14,325,700
Expedient service fees	2,421,700
Marine safety fund	1,187,300
Michigan state police auto theft fund	118,900
Mobile home commission fees	476,000
Off-road vehicle title fees	127,300
Parking ticket court fines	1,490,500
Personal identification card fees	1,583,600
Reinstatement fees - operator licenses	1,192,400

	For Fiscal Year Ending Sept. 30, 2008
Snowmobile registration fee revenue	348,100
Transportation administration collection fund	57,848,200
Vehicle theft prevention fees	209,500
State general fund/general purpose	\$ 11,527,100
(6) ELECTION REGULATION	
Full-time equated classified positions28.5	
Election administration and services—28.5 FTE positions.....	\$ 4,780,500
Help America vote act	350,000
Fees to local units	109,800
GROSS APPROPRIATION	\$ 5,240,300
Appropriated from:	
Federal funds	350,000
State general fund/general purpose	\$ 4,890,300
(7) DEPARTMENTWIDE APPROPRIATIONS	
Building occupancy charges/rent.....	\$ 10,600,200
Worker's compensation	425,000
GROSS APPROPRIATION	\$ 11,025,200
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees	142,000
Driver fees	466,300
Expedient service fees.....	26,300
Parking ticket court fines	467,100
Transportation administration collection fund	6,020,900
State general fund/general purpose	\$ 3,902,600
(8) INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 24,415,600
GROSS APPROPRIATION	\$ 24,415,600
Appropriated from:	
Special revenue funds:	
Administrative order processing fee.....	11,100
Auto repair facilities fees	179,400
Child support clearance fees	16,200
Driver fees	1,346,100
Expedient service fees.....	959,500
Parking ticket court fines	82,700
Personal identification card fees	881,200
Reinstatement fees - operator licenses	471,900
Transportation administration collection fund	16,088,000
Vehicle theft prevention fees.....	170,900
State general fund/general purpose	\$ 4,208,600
Sec. 110. DEPARTMENT OF TREASURY	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions	9.0
Full-time equated classified positions	1,896.5
GROSS APPROPRIATION	\$ 1,759,155,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	11,631,400
ADJUSTED GROSS APPROPRIATION	\$ 1,747,523,600
Federal revenues:	
Total federal revenues	91,836,400
Special revenue funds:	
Total local revenues	1,100,700
Total private revenues	712,800
Total other state restricted revenues	1,464,563,100
State general fund/general purpose	\$ 189,310,600

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(2) EXECUTIVE DIRECTION	
Full-time equated unclassified positions	9.0
Full-time equated classified positions	5.0
Unclassified positions—9.0 FTE positions.....	\$ 812,600
Office of the director—5.0 FTE positions.....	833,800
GROSS APPROPRIATION.....	\$ 1,646,400
Appropriated from:	
Special revenue funds:	
State lottery fund	159,000
State services fee fund	196,700
State general fund/general purpose	\$ 1,290,700
(3) DEPARTMENTWIDE APPROPRIATIONS	
Travel.....	\$ 1,415,900
Rent and building occupancy charges - property management services.....	5,194,600
Worker's compensation insurance premium	247,000
GROSS APPROPRIATION.....	\$ 6,857,500
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue	3,483,600
State general fund/general purpose	\$ 3,373,900
(4) LOCAL GOVERNMENT PROGRAMS	
Full-time equated classified positions	107.0
Supervision of the general property tax law—84.0 FTE positions	\$ 10,649,600
Property tax assessor training—4.0 FTE positions	423,100
Local finance—19.0 FTE positions	2,432,100
Blackstone settlement	2,000,000
GROSS APPROPRIATION.....	\$ 15,504,800
Appropriated from:	
Special revenue funds:	
Local - assessor training fees	423,100
Local - audit charges.....	587,600
Local - equalization study chargebacks	40,000
Local - revenue from local government	50,000
Land reutilization fund.....	3,979,100
Municipal finance fees.....	477,700
State education tax collections	50,000
State general fund/general purpose	\$ 9,897,300
(5) TAX PROGRAMS	
Full-time equated classified positions	800.5
Customer contact—186.0 FTE positions	\$ 13,729,500
Tax compliance—335.0 FTE positions.....	31,671,300
Tax and economic policy—53.5 FTE positions	\$ 6,079,800
Revenue enhancement program—45.0 FTE positions	5,267,400
Tax processing—147.0 FTE positions	15,013,600
Michigan business tax implementation—28.0 FTE positions	8,400,000
Individual income tax implementation	120,000
Tax on services implementation—2.0 FTE positions.....	400,000
Home heating assistance	2,159,800
Bottle bill implementation	250,000
Tobacco tax collection—4.0 FTE positions.....	348,500
GROSS APPROPRIATION.....	\$ 83,439,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG, data/collection services fees	50,900
IDG from MDOT, Michigan transportation fund.....	7,549,700
IDG from MDOT, state aeronautics fund	67,300

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Federal revenues:	
HHS-SSA, low-income energy assistance	2,159,800
Special revenue funds:	
Bottle deposit fund.....	250,000
Delinquent tax collection revenue	56,923,900
Tobacco tax collection and enforcement	348,500
Tobacco tax revenue	388,800
Waterways fund	78,900
State general fund/general purpose	\$ 15,622,100

(6) BANKING AND MANAGEMENT SERVICES

Full-time equated classified positions	338.0	
Program management—13.0 FTE positions		\$ 1,470,000
Human resources and purchasing—27.0 FTE positions.....		2,791,300
Mail operations—20.0 FTE positions.....		2,010,600
Unclaimed property—21.0 FTE positions		3,545,800
Human resources optimization user charges.....		85,200
Collections—185.0 FTE positions.....		18,907,300
Finance and accounting—32.0 FTE positions		1,733,200
Receipts processing—40.0 FTE positions		2,967,700
GROSS APPROPRIATION.....		\$ 33,511,100

Appropriated from:

Interdepartmental grant revenues:	
IDG from MDHS, title IV-D	617,600
IDG, levy/warrant cost assessment fees	1,848,800
IDG, state agency collection fees.....	590,100
IDG, data/collection services fees	204,400

Special revenue funds:

Delinquent tax collection revenue	19,137,600
Escheats revenue	3,545,800
Garnishment fees	531,600
Justice system fund	636,500
Treasury fees.....	188,300
State general fund/general purpose	\$ 6,210,400

(7) FINANCIAL PROGRAMS

Full-time equated classified positions	213.0	
Investments—78.0 FTE positions.....		\$ 15,084,600
Michigan merit award administration—5.0 FTE positions		1,468,900
Michigan education savings program		800,000
Common cash and debt management—11.5 FTE positions		1,247,000
Student financial assistance programs—118.5 FTE positions.....		35,747,900
GROSS APPROPRIATION.....		\$ 54,348,400

Appropriated from:

Interdepartmental grant revenues:	
IDG, fiscal agent service fees	\$ 167,700

Federal revenues:

DED-OPSE, federal lenders allowance	10,437,300
DED-OPSE, higher education act of 1965, insured loans.....	23,264,700

Special revenue funds:

Defined contribution administrative fee revenue.....	100,000
College work study	46,300
Michigan merit award trust fund	2,693,300
Retirement funds.....	14,112,700
School bond fees.....	618,600
Treasury fees.....	1,035,800
State general fund/general purpose	\$ 1,872,000

(8) DEBT SERVICE

Water pollution control bond and interest redemption.....	\$ 2,386,400
Quality of life bond	60,900,000

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Clean Michigan initiative.....	50,000,000
Great Lakes water quality bond	6,700,000
GROSS APPROPRIATION.....	\$ 119,986,400
Appropriated from:	
Special revenue funds:	
Refined petroleum fund	23,914,500
State general fund/general purpose	\$ 96,071,900
(9) GRANTS	
Grants to counties in lieu of taxes.....	\$ 5,000
Convention facility development distribution.....	58,850,000
Senior citizen cooperative housing tax exemption program	17,498,400
Commercial mobile radio service payments.....	17,900,000
Health and safety fund grants.....	25,000,000
Renaissance zone reimbursement	3,095,000
GROSS APPROPRIATION.....	\$ 122,348,400
Appropriated from:	
Special revenue funds:	
Commercial mobile radio service fees	17,900,000
Convention facility development fund	58,850,000
Health and safety fund	25,000,000
State general fund/general purpose	\$ 20,598,400
(10) STATE LOTTERY	
Full-time equated classified positions	175.0
Lottery operations—175.0 FTE positions.....	\$ 20,252,500
Human resources optimization user charges.....	10,900
Promotion and advertising	18,622,000
Lottery information technology services and projects	4,549,600
GROSS APPROPRIATION.....	\$ 43,435,000
Appropriated from:	
Special revenue funds:	
State lottery fund	43,435,000
State general fund/general purpose	\$ 0
(11) CASINO GAMING	
Full-time equated classified positions	106.0
Michigan gaming control board	\$ 50,000
Casino gaming control administration—106.0 FTE positions	18,885,800
Human resources optimization user charges.....	7,200
Casino gaming information technology services and projects	1,320,000
GROSS APPROPRIATION.....	\$ 20,263,000
Appropriated from:	
Casino gambling agreements.....	\$ 383,500
State services fee fund	19,879,500
State general fund/general purpose	\$ 0
(12) REVENUE SHARING	
Constitutional state general revenue sharing grants.....	\$ 673,952,000
Statutory state general revenue sharing grants	398,713,000
County revenue sharing	113,600
Special grants.....	212,000
GROSS APPROPRIATION.....	\$ 1,072,990,600
Appropriated from:	
Sales tax.....	1,072,665,000
State general fund/general purpose	\$ 325,600
(13) INFORMATION TECHNOLOGY	
Treasury operations information technology services and projects.....	\$ 18,401,000
GROSS APPROPRIATION.....	\$ 18,401,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	454,900

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Federal revenues:	
DED-OPSE, federal lenders allowance	543,900
Special revenue funds:	
Delinquent tax collection revenue	11,773,300
Michigan merit award trust fund	415,300
Retirement funds	659,100
State general fund/general purpose	\$ 4,554,500
(14) MICHIGAN STRATEGIC FUND	
Full-time equated classified positions	152.0
Administration—22.0 FTE positions	\$ 2,542,400
Job creation services—130.0 FTE positions	17,003,100
HR optimization user charges	17,800
Michigan promotion program	11,417,500
Economic development job training grants	7,441,000
Community development block grants	53,000,000
Jobs for Michigan investment program: 21st century jobs fund	75,000,000
Business incubator program	100
Berrien County brownfield redevelopment authority	100
Detroit institute of arts	100
McBain Township, Missaukee County	100
Detroit historical museum	100
Detroit zoological institute	100
Michigan State University bio-energy research center	100
GROSS APPROPRIATION	\$ 166,422,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees	80,000
Federal revenues:	
HUD-CPD, community development block grant	55,430,700
Special revenue funds:	
Private - special project advances	712,800
Industry support fees	5,200
Jobs for Michigan investment fund - returns to fund	5,700,000
21st century jobs trust fund	75,000,000
State general fund/general purpose	\$ 29,493,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) 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 2007-2008 is \$2,364,640,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$1,218,526,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE

Fees to local units	\$ 109,800
Motorcycle safety grants	1,115,400
Subtotal	\$ 1,225,200

DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption	\$ 17,498,400
Grants to counties in lieu of taxes	5,000
Health and safety fund grants	25,000,000
Constitutional state general revenue sharing grants	673,952,000
Statutory state general revenue sharing grants	398,713,000
Convention facility development fund distribution	58,850,000
Commercial mobile radio service payments	15,221,500
Renaissance zone reimbursements	3,095,000
Special grants	212,000
County revenue sharing payment	113,600

Airport parking distribution pursuant to section 909.....	17,200,000
Economic development job training grants	7,441,000
Berrien County brownfield redevelopment authority.....	100
McBain Township, Missaukee County	100
Subtotal.....	\$ 1,217,301,700
TOTAL GENERAL GOVERNMENT	\$ 1,218,526,900

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2007-2008 is estimated at \$28,535,784,500.00 in the 2007-2008 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2007-2008 is estimated at \$16,066,603,783.00. The state-local proportion is estimated at 56.30% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2007-2008 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2007-2008 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2007-2008.

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

Sec. 203. As used in this act:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (c) "CPI" means consumer price index.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (f) "DOL-ETA" means the United States department of labor, employment and training administration.
- (g) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (h) "EEOC" means the United States equal employment opportunity commission.
- (i) "EPA" means the United States environmental protection agency.
- (j) "FTE" means full-time equated.
- (k) "Fund" means the Michigan strategic fund.
- (l) "GF/GP" means general fund/general purpose.
- (m) "HHS" means the United States department of health and human services.
- (n) "HHS-OS" means the HHS office of the secretary.
- (o) "HHS-SSA" means the HHS social security administration.
- (p) "HUD" means the United States department of housing and urban development.
- (q) "HUD-CPD" means the United States department of housing and urban development – community planning and development.
- (r) "IDG" means interdepartmental grant.
- (s) "JCOS" means the joint capital outlay subcommittee.
- (t) "MAIN" means the Michigan administrative information network.
- (u) "MCL" means the Michigan Compiled Laws.
- (v) "MDCH" means the Michigan department of community health.
- (w) "MDEQ" means the Michigan department of environmental quality.
- (x) "MDHS" means the Michigan department of human services.
- (y) "MDLEG" means the Michigan department of labor and economic growth.
- (z) "MDMB" means the Michigan department of management and budget.
- (aa) "MDOT" means the Michigan department of transportation.
- (bb) "MDSP" means the Michigan department of state police.
- (cc) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (dd) "MPES" means the Michigan professional employees society.
- (ee) "PA" means public act.
- (ff) "PACC" means the prosecuting attorneys coordinating council.
- (gg) "SBIR" means small business innovation research.
- (hh) "STTR" means small business technology transfer.

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

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

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

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. 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 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. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 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:

	2006	2007
Michigan personal income (millions)	\$342,900	\$352,501
less: transfer payments	<u>54,901</u>	<u>58,403</u>
Subtotal	287,999	294,098
Divided by: Detroit CPI for 12 months ending June 30	1.948	1.980
Equals: Real adjusted Michigan personal income	\$147,881	\$148,534
Percentage change.....		0.4%
Percentage change in excess of 2%	0.0%	0.0%
Multiplied by: estimated GF/GP revenue in FY 2006-2007 (millions)		8,230.0
Equals: countercyclical budget and economic stabilization fund calculation for the fiscal year ending September 30, 2008.	\$0.0	\$0.0

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 213. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

Sec. 214. 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 departments and agencies and the department of information technology.

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2008 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 217. General fund appropriations in this act shall not be expended for items in cases where federal funding is available for the same expenditures.

Sec. 221. (1) Each department shall report no later than April 1, 2008 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 225. Each department and agency receiving an appropriation in part 1 shall implement continuous improvement efficiency mechanisms in its programs. The continuous improvement efficiency mechanisms shall identify changes made in those programs to increase efficiency and reduce expenditures. On March 31, 2008 and September 30, 2008, each department shall submit a report to the state budget director, the senate and house appropriations subcommittees on general government, and the senate and house fiscal agencies on the progress made toward increased efficiencies. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased efficiencies.

Sec. 226. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

DEPARTMENT OF ATTORNEY GENERAL

Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 302. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

(2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge's duties while acting within the scope of his or her authority as a judge.

(3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.

Sec. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 305. In addition to the funds appropriated in part 1, not more than \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the department of human services, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that, once earned by this state, the funds become state funds.

Sec. 306. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 307. In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed \$250,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases. Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, shall be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$250,000.00.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$500,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of litigation expenses, court judgments and settlements, or attorney fees assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year shall be carried forward for expenditure in the following year, up to a maximum authorization of \$500,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$460,800.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court-ordered child support.

Sec. 311. The department of attorney general may not receive and expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses associated with a pending legal action.

DEPARTMENT OF CIVIL RIGHTS

Sec. 401. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

- (a) Developing and presenting training for employers on equal employment opportunity law and procedures.
- (b) The publication and sale of civil rights related informational material.
- (c) The provision of copy material made available under freedom of information requests.
- (d) Other copy fees, subpoena fees, and witness fees.
- (e) Developing, presenting, and participating in mediation processes for certain civil rights cases.
- (f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.

(2) The department of civil rights shall annually report to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies the amount of funds received and expended for purposes authorized under this section.

Sec. 403. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

INFORMATION TECHNOLOGY

Sec. 573. (1) The department of information technology may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) The department of information technology may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state web pages or services offered on those web pages. A private or public funding source may receive recognition in the web page. The department of information technology may reject any gift, donation, contribution, bequest, or grant.

(3) Funds accepted by the department of information technology under subsection (1) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.

(4) By April 1, the department of information technology shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies that a statement of the total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions are available on the department's website.

Sec. 574. The department of information technology may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of information technology may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 575. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 576. When used in this act, "information technology services" means services involving all aspects of managing and processing information including, but not limited to, all of the following:

- (a) Application development and maintenance.
- (b) Desktop computer support and management.
- (c) Mainframe computer support and management.
- (d) Server support and management.
- (e) Local area network support and management.
- (f) Information technology contract, project, and procurement management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.
- (i) Software and software licensing.

Sec. 577. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of information technology shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

(3) All money received by the department of information technology under this section shall be expended for the support and maintenance of the Michigan public safety communications system.

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried forward into succeeding fiscal years.

Sec. 578. The department of information technology shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

(b) A listing of the expenditures made from the amounts received by the department of information technology, as reported in subdivision (a).

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 581. From the funds appropriated in part 1, the department of information technology shall assess the state's information technology assets, including hardware, software, and networks to determine any benefits and economies that can be achieved through, but not limited to, hardware and software consolidation and standardization, process improvements, project management improvements, and increased standards-based information sharing between agencies.

Sec. 584. The department of information technology shall determine how existing 2-1-1 capacities will be utilized by each state department with community resource information and referral service, including, but not limited to, toll-free help and information lines and comprehensive human service databases. The department of information technology shall report its findings in writing to the senate and house of representatives standing committees on appropriations by July 1, 2008. The report shall include a statement of how each state department has utilized 2-1-1 in its coordination efforts, including any efficiencies, cost savings, and improved service provided to Michigan residents. The report shall also contain recommendations for maintaining a statewide 2-1-1 system.

Sec. 585. The department shall provide a report that calculates the total amount of funds expended for the child support enforcement system to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the federal government for penalties. The report shall be submitted to the senate and house of representatives standing committees on government operations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by January 1.

Sec. 586. If during the course of the fiscal year a transfer or supplemental to or from the information technology line item within an agency budget is made under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, there is appropriated an equal amount of user fees in the department of information technology budget to accommodate an increase or decrease in spending authorization.

LEGISLATURE

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized

agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum building and other properties.

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council.

Sec. 604. (1) The appropriation in part 1 to the legislative council includes funds to operate the legislative parking facilities in the capitol area. The legislative council shall establish rules regarding the operation of the legislative parking facilities.

(2) The legislative council shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees shall be allocated by the legislative council.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2011.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2011.

Sec. 608. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year, and shall be carried forward for expenditure in the following fiscal years.

Sec. 610. The funds appropriated in part 1 shall not be used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

LEGISLATIVE AUDITOR GENERAL

Sec. 620. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 621. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

(2) The auditor general shall strongly encourage firms with which the auditor general contracts to perform audits of the principal executive departments and state agencies to subcontract with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.

(3) The auditor general shall compile an annual report regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities. The auditor general shall deliver the report to the state budget director and the senate and house of representatives standing committees on appropriations subcommittees on general government by November 1 of each year.

Sec. 622. From the funds appropriated in part 1 to the legislative auditor general, the auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 701. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 702. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 704. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

(2) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, and engineering services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch.

(3) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(4) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

Sec. 705. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of management and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

(2) In addition to the funds appropriated in part 1 for statewide appropriations, the department of management and budget may receive and expend funds in such additional amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process in the same manner and subject to the same conditions as prescribed in subsection (1).

Sec. 706. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 707. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 708. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 709. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

(2) Appropriations in part 1 to the department of management and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

Sec. 710. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Sec. 711. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 712. The department of management and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 713. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 715. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of management and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department. Revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.

(3) It is the intent of the legislature that the department of management and budget have the authority to determine the appropriateness of vehicle assignment, to include year, make, model, size, and price of vehicle. The department may assign motor vehicles, permanently or temporarily, to state agencies and to institutions of higher education.

(4) Pursuant to the department of management and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the current plan and changes made to the plan during the fiscal year.

(5) The department of management and budget may charge state agencies for fuel cost increases that exceed \$2.27 per gallon of unleaded gasoline. The department shall notify state agencies, in writing or by electronic mail, at least 30 days before implementing additional charges for fuel cost increases. Revenues received from these charges are appropriated upon receipt.

Sec. 716. The department of management and budget shall adopt policies and procedures necessary for compliance by the department, other state departments and agencies, and state vendors and subcontractors, with the requirement under subsection (1) of section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.

Sec. 717. In determining whether the purchase, contracting for, providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items needed by state departments or agencies is in the best interests of this state, and in making all discretionary decisions concerning the solicitation, award, amendment, cancellation, or appeal of state contracts, the department of management and budget shall consider all of the following:

(a) Whether a proposal by a vendor to provide services to this state using employees, contractors, subcontractors, or other individuals who are not citizens of the United States, legal resident aliens, or individuals with a valid visa would be detrimental to the state of Michigan, its residents, or the state's economy.

(b) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(c) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(d) Whether the acquisition of goods or services from a vendor that is an expatriated business entity located in a tax haven country or an affiliate of an expatriated business entity located in a tax haven country would be detrimental to the state of Michigan, its residents, or the state's economy. As used in this section, "expatriated business entity" means a corporation or an affiliate of the corporation incorporated in a tax haven country after September 11, 2001, but with the United States as the principal market for the public trading of the corporation's stock, as determined by the director of the department of management and budget. "Tax haven country" means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles.

(e) Whether the provision of services to this state at a location outside of this state or the United States would be detrimental to the privacy interests of Michigan residents, or risk the disclosure of personal information of Michigan residents, such as social security, financial, or medical data.

(f) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

(g) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

Sec. 718. The department of management and budget shall collect from vendors information necessary to comply with the requirements of this act, as determined by the department. The department of management and budget may require vendors to provide any of the following:

(a) Information relating to the location of work performed under a state contract by the vendor and any subcontractors, employees, or other persons performing a state contract.

(b) Information regarding the corporate structure and location of corporate employees and activities of the vendor, its affiliates, or any subcontractors.

(c) Notice of the relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the state of Michigan.

Sec. 719. The department of management and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 721. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 722. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 723. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

Sec. 724. Of the \$16,793,100.00 included in part 1 for the department of management and budget, retirement services, \$300,000.00 shall be used for a project to implement amendments to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, to allow public school retirees to add a new spouse as a pension beneficiary when a previous spouse dies or if the retiree was not married at the time of retirement. Unexpended appropriations are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to implement amendments to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, to allow public school retirees to add a new spouse as a pension beneficiary when a previous spouse dies or if the retiree was not married at the time of retirement.

(b) The project will be accomplished by state employees and contract.

(c) The total estimated cost of the project is \$300,000.00.

(d) The tentative completion date is September 30, 2009.

Sec. 724a. The department of management and budget shall assist the department of information technology in determining how existing 2-1-1 capacities will be utilized by each state department with community resource information and referral service, including, but not limited to, toll-free help and information lines and comprehensive human service databases.

Sec. 724b. (1) By December 1, 2007, the department shall issue a report to the house and senate fiscal agencies detailing the following information for all personal property and equipment of any nature, including, but not limited to, furniture, computers, communication systems, vehicles, vessels, aircraft, office equipment, technology equipment, construction equipment, and energy systems owned by the state of Michigan and/or a state department, agency, or authority:

- (a) Date of acquisition.
- (b) Original equipment cost.
- (c) Estimate of useful life.
- (d) The amount of encumbrances or liens thereon, if any.

(2) The department shall seek the assistance of a private sector firm to assist in the valuation, if necessary to make an accurate determination of useful life and encumbrances. All state departments, agencies, and authorities shall assist the department and its agents by timely providing all information necessary to create the report required by this section. The purpose of the report shall be to assist the state legislature and department of treasury in determining the feasibility of asset monetization proposals as a means of addressing future budget deficits.

STATE BUILDING AUTHORITY

Sec. 725. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2008 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2008. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

(2) Upon sale of bonds or notes for the projects identified in part 1 or for equipment as authorized by legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

(3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects, which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.

(4) In the event that a project identified in part 1 is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director and approved by the JCOS.

Sec. 726. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

(2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

Sec. 727. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

(2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay such obligations.

Sec. 728. The department of management and budget shall provide the JCOS and the senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

(a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.

(b) A list of all projects under construction for which sale of state building authority bonds is pending.

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

CIVIL SERVICE

Sec. 750. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 751. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the department of civil service on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2007 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The 1% appropriations in part 1 are estimates of actual 1% charges based on payroll appropriations. With the approval of the state budget director, the department is authorized to adjust financing sources for civil service 1% charges based on actual payroll expenditures, provided that such adjustments do not increase the total appropriation for the department of civil service.

(3) The 1% financing from restricted sources shall be credited to the department of civil service by the end of the second fiscal quarter.

Sec. 752. Except where specifically appropriated for this purpose, 1% of the financing from restricted sources shall be credited to the department of civil service. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy departmental operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 753. The appropriation in part 1 to the department of civil service, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the department of civil service. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the department of civil service. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

DEPARTMENT OF STATE

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$7,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 802. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 803. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of

the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 804. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 805. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

(2) The department of state may sell and accept paid advertising for placement in a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The department may charge and receive a fee for any advertisement appearing in a departmental publication and shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization. The department may furnish a reasonable number of copies of a publication to an advertiser at no charge.

(3) Pending expenditure, the funds received under this section shall be deposited in the Michigan department of state publications fund created by section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the department from a private source are appropriated and allocated for the purpose for which the revenue is furnished. Funds granted to the department from a public source are allocated and may be expended upon receipt. The department shall not accept a gift, donation, contribution, or grant if receipt is conditioned upon a commitment of state funding at a future date. Revenue received from the sale of advertising is appropriated and may be expended upon receipt.

(4) Any unexpended revenues received under this section shall be carried over into subsequent fiscal years and shall be available for appropriation for the purposes described in this section.

(5) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:

(a) The amount of gifts, contributions, donations, and grants of money received by the department under this section for the prior fiscal year.

(b) A listing of the expenditures made from the amounts received by the department as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, or grant of property other than funding received by the department under this section for the prior year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" includes videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Sec. 806. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 807. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$331,400.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 808. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 809. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the transportation administration collection fund, in addition to the amount appropriated in part 1 to the department of state, shall remain in the transportation administration collection fund and be available for future appropriation.

Sec. 810. (1) Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

(2) Funds or revenues in the Olympic education training center fund are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.

Sec. 811. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 812. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

(2) The department may solicit funds from any private or public source to underwrite, in whole or in part, the public information campaign authorized by this section. The department may accept gifts, donations, contributions, and grants of money and other property from private and public sources for this purpose. A private or public funding source underwriting the public information campaign, in whole or in substantial part, shall receive sponsorship credit for its financial backing.

(3) Funds received under this section, including grants from state and federal agencies, shall not lapse to the general fund at the end of the fiscal year but shall remain available for expenditure for the purposes described in this section.

(4) Funding appropriated in part 1 for the organ donor program shall be used for producing a pamphlet to be distributed with driver licenses and personal identification cards regarding organ donations. The funds shall be used to update and print a pamphlet that will explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(5) The pamphlet shall include a return reply form addressed to the gift of life organization. Funding appropriated in part 1 for the organ donor program shall be used to pay for return postage costs.

(6) In addition to the appropriations in part 1, the department of state may receive and expend funds from the organ and tissue donation education fund for administrative expenses.

Sec. 815. At least 180 days before closing or consolidating a branch office and at least 60 days before relocating a branch office, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure and the same level of detail regarding costs for new leased facilities and expansions of current leased space.

Sec. 815a. By December 15, the department of state 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 branch office transactions completed online by Michigan residents in the immediately preceding fiscal year.

Sec. 816. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, is appropriated to the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution. Funds are allocated for expenditure when they are received by the department of treasury.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.

(3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 818. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

(2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.

(3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.

(4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third-party testers, and inspecting training sites.

Sec. 819. (1) From the funds appropriated in part 1 to the department of state for information technology services and projects, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 821. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

(2) The department of state shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned upon a commitment of future state funding.

(3) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall list any gift, donation, or contribution received by the department under subsection (1) for the prior calendar year.

Sec. 824. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

Sec. 825. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Milan.

Sec. 826. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain the same number of secretary of state branch offices in each municipality that existed on August 1, 2007.

Sec. 827. The funds appropriated in part 1 for department of state, branch operations, are contingent upon the department complying with the following guidelines for branch office placement:

(a) The department of state shall, whenever possible, avoid leasing space for branch offices on greenfield sites or other noncentral locations that require the construction of new infrastructure to service the office or facility, except in limited circumstances when the constituency served or programs supported require the use of a noncentral or open space location.

(b) The department shall encourage public investment in this state's urban areas by locating branch offices and facilities in urban areas. As used in this section, "urban areas" means a downtown area, town centers, or central business districts.

(c) The department shall, whenever possible, locate branch offices at locations consistent with local planning and zoning and compatible with existing land uses.

(d) In selecting a site for a branch office, the department shall give priority to locations in urban areas, whenever reasonably possible and consistent with state law. In making location decisions, the department shall also give consideration to the following:

(i) Use of existing space in state-owned facilities in urban areas.

(ii) Adaptive use or rehabilitation of historic buildings or reuse of other buildings within an urban area.

(iii) Use of vacant buildings in an urban area.

(iv) Use of vacant land in an urban area.

(v) Use and rehabilitation of brownfield areas.

DEPARTMENT OF TREASURY OPERATIONS

Sec. 901. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

(2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by each contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

(3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians, and other outside professionals, the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations and the state budget office concerning the performance of each portfolio by investment advisor.

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) shall be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to record these expenditures.

Sec. 905. (1) The department of treasury shall sell copies of the state tax manual, uniform accounting procedures manual, general property tax law manual, and other local government assistance manuals with amendments, at a price not to exceed the cost of production. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

(2) In addition to the funds appropriated in part 1, revenue received from the sale of those manuals is appropriated.

Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report

detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

(3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.

Sec. 907. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of \$50.00, an initial certification fee of \$50.00, an annual renewal fee of \$75.00 for levels 1 and 2, and \$125.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Sec. 908. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(a) A fee of \$6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of \$6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to \$5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2006. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2007 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) From funds collected by the department of treasury under the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265, and appropriated for unclaimed property, \$51,000.00 shall be paid as annual dues to the national conference of commissioners on uniform state laws.

(3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 920. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.910.

Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2007. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for principal residence audits under subsection (1).

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 929. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service. Any unobligated balance of the fund shall revert to the general fund of this state as of September 30.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 930a. The department shall select a private collection agency to perform secondary collection activities in an effort to benchmark primary agency performance for all individual tax, discontinued business tax, and state agency accounts, and all active business tax accounts older than 36 months. Consistent with sound collection practices and to maximize the effectiveness of those collection activities, the department shall not select a collection agency, or related entity, that has already attempted to collect the debt in question. Any request for proposal required to implement this section shall be issued by October 1, 2007. The department shall report its progress on second placement collection activities on a quarterly basis during the fiscal year.

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 933. (1) The \$1,000,000.00 appropriated in part 1 for the Michigan education savings program is from the Michigan merit award trust fund to fund an incentive program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(2) The funds appropriated for the Michigan education savings program shall be used to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years of age or less, who is a Michigan resident, and whose family's income is \$80,000.00 or less.

(3) During the current fiscal year, the state shall provide \$1.00 of matching funds for each \$3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be \$200.00.

(4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

Sec. 934. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 935. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 936. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 937. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan,

or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 941. In addition to the funds appropriated in part 1, there is appropriated up to \$570,000.00 from standardized audit schedules recovered delinquent tax collection revenues for the support of standardized audit schedule project expenses. The funding shall be used to exclusively support business tax audits related to sales tax, use tax, withholding, single business tax, and motor fuel tax obligations. Any unexpended funds at the end of the fiscal year shall lapse to the general fund.

Sec. 943. The department of treasury shall not include complete social security numbers in form 1099-G mailings to taxpayers.

Sec. 945. The assessment and certification division of the department of treasury may conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

Sec. 947. (1) Of the \$5,267,400.00 included in part 1 for the revenue enhancement program, \$4,767,400.00 shall be used for revenue collection enhancement activities including auditing functions.

(2) The department of treasury shall 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, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

(3) The \$500,000.00 balance of the \$5,267,400.00 shall be used for the principal residence exemption compliance program. Along with other program costs, expenditures shall include the development and maintenance of a statewide web-based database created for the purpose of enforcing the principal residence exemption compliance program. The department shall submit quarterly progress reports that include the number of exemptions denied and the revenue received under this program. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2008. Revenue generated to the state from 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. Additional funds from the revenue enhancement program and carryforward appropriations may be used to support costs in excess of \$500,000.00.

(4) Unexpended appropriations of the revenue enhancement program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to enhance revenue collection activities.
- (b) The project will be accomplished by contract.
- (c) The total estimated cost of the project is \$24,600,000.00.
- (d) The tentative completion date is September 30, 2009.

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. The department of treasury, together with the department of management and budget, may conduct a competitive bid for new tobacco stamp technology. Any Michigan tobacco wholesaler required to purchase or lease new stamping technology or equipment during fiscal year 2008 in order to comply with current state law and the results of the bidding process may be entitled to request a deduction from the department of treasury for actual documented costs associated with such a purchase or lease. Wholesalers affected by the outcome of the bidding process may set forth the amount of the deduction claimed for such costs in the monthly reimbursement statement submitted to the department of treasury under the tobacco products tax act and may make available for inspection upon request any documents necessary to substantiate the claimed deduction.

REVENUE SHARING

Sec. 950. (1) The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

(2) After the distribution in subsection (1), the funds appropriated in part 1 for statutory revenue sharing shall be distributed to certain cities, villages, and townships such that the percentage change in the total statutory and

constitutional revenue sharing payment made under this appropriation, from the total payment under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and section 10 of article IX of the state constitution of 1963 of the immediately preceding state fiscal year to each of those cities, villages, and townships is equal to, but does not exceed, the percentage change from the immediately preceding state fiscal year of any city, village, or township that receives a distribution under this subsection. No city, village, or township receiving a payment under this subsection shall receive more in combined constitutional and statutory payments than that city, village, or township received in combined constitutional and statutory payments during the 2006-2007 state fiscal year.

(3) If revenue collected in accordance with section 10 of article IX of the state constitution of 1963 is less than that amount appropriated in part 1 for constitutional revenue sharing, the appropriation in part 1 for statutory revenue sharing is increased by an amount equal to the appropriation in part 1 for constitutional revenue sharing less the amount of revenue collected in accordance with section 10 of article IX of the state constitution of 1963.

Sec. 955. (1) There is appropriated to each county an amount equal to the amount distributed to each county for the fiscal year ending September 30, 2004, pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, adjusted by the inflation rate as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, and reduced by the amount each county is authorized to annually expend in that county's fiscal year beginning after September 30, 2004, from its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

LOTTERY

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 961. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

CASINO GAMING

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Sec. 972. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations and the state budget director on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

MICHIGAN STRATEGIC FUND

Sec. 1001. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$700,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 1002. (1) The appropriation in part 1 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first century. The purpose of this program is to develop a specific skill, identified for a particular business that assists that company to compete in the global economy and to create or retain high-paying jobs for Michigan residents.

(2) Not more than \$800,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. Not more than 10% of the total grant award may be expended by a recipient for administration costs.

(3) No funds appropriated in part 1 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers, unless a strike exceeds 3 years and good faith negotiations are ongoing.

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

(5) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state-sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection or businesses which meet the criteria set in subsection (4).

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

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

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

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

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

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

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

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

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

(b) Creation and/or retention of high wage and high skilled level jobs within a predetermined time period. If the employer does not create or retain the number of jobs specified within the predetermined time period, the employer shall reimburse the state for the entire grant awarded under this program. The number of jobs created and retained will be verified by the employer via audit after the training is completed.

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

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

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

(11) For training delivered to incumbent workers, the employer receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

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

(13) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit. Costs disallowed under subsection (8)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.

(14) The fund shall provide to the state budget director and the fiscal agencies by November 1 of each year a report on the economic development job training program grants. The report shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

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

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

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

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

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

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

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

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

Sec. 1003. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

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

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

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

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

(e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the senate appropriations committee subcommittee on economic development, the house appropriations committee subcommittee on general government, the senate and house fiscal agencies, and the state budget office by January 31.

Sec. 1004. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments

of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1005. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times.", "The Upper Hand", and "Pure Michigan" copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1006. The fund shall submit on February 15 to the subcommittees, the state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

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

Sec. 1007. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

- (a) Travel Michigan.
- (b) Business attraction, retention, and growth.
- (c) Business services.
- (d) Community development block grants.
- (e) Strategic fund administration.
- (f) Renaissance zones.
- (g) 21st Century investment program.
- (h) Business and clean air ombudsman.
- (i) Economic development job training program grants.
- (j) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 15. The report for each program in subsection (1)(a) through (j) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

Sec. 1008. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 1009. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

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

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

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

Sec. 1010. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Sec. 1011. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

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

Sec. 1012. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

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

(2) If the MEDC is unable for any reason to perform duties under this act, the fund may exercise those duties.

Sec. 1013. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

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

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

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

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

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

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

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

- (a) Land sited for use as, or support for, a gaming facility.
- (b) Land or other facilities owned or operated by a gaming facility.
- (c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

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

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

Sec. 1016. The Michigan economic development corporation may implement procedures to annually audit the number of jobs claimed to be created by firms receiving Michigan economic growth authority grants, and all other claims of job creation for which MEDC has provided tax credits or other economic incentives.

Sec. 1017. The Michigan economic development corporation shall report on the number of individuals it employs with an annual salary of \$80,000.00 or more to the subcommittees, the fiscal agencies, and the state budget office by October 31, 2007. The report shall include the name, the job title, and a description of the duties and responsibilities of all such employees.

Sec. 1020. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The fund may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The fund shall report the amount and source of the funds to the senate appropriation subcommittee on economic development, the house appropriation subcommittee on general government, the senate and house fiscal agencies, and the state budget office within 10 business days after receiving any additional pass-through funds.

Sec. 1021. (1) From the funds appropriated in part 1 for the Michigan promotion program, \$5,700,000.00 shall be used to accelerate efforts to promote the state's tourism industry and business marketing activities. The MEDC shall work to coordinate with local tourism efforts, where appropriate.

(2) The funds are considered work project appropriations and any unencumbered or unallotted funds at year-end shall be carried forward into the succeeding fiscal year. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the funding is to promote the state's tourism industry and business marketing activities.

(b) The project shall be accomplished by contract or employees employed by the Michigan strategic fund or the Michigan economic development corporation.

(c) The total estimated cost of the project is \$0.

(d) The expected completion date is September 30, 2010.

(3) It is the intent of the legislature that if additional funds become available during fiscal year 2007-2008, that the appropriation for the Michigan promotion program shall be increased by \$4,300,000.00 to be distributed as described in this section.

Sec. 1022. (1) From the funds appropriated in part 1 for the business incubator program, the Michigan strategic fund shall administer competitive grants and loans that are designed to foster the creation of new jobs in competitive edge technology as defined in section 88a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088a. Funding shall be awarded to grantees located in a distressed area. The Michigan strategic fund board shall ensure that \$1,000,000.00 is allocated to grantees for projects in each of the 4 qualifying distressed areas. As used in this section, "distressed area" means a local governmental unit that meets 1 of the following criteria:

(a) A city with a population greater than 750,000.

(b) A city with a population in the 2000 census between 11,000 and 12,000 and had a population loss of greater than 30% since 1970.

(c) A city with a population in the 2000 census between 124,000 and 125,000 and had a population loss greater than 35% since the 1970 census.

(d) A county with median household income from 2004 United States bureau of the census small area income and poverty estimates that is below \$28,000.00.

(2) It is the intent of the legislature that if additional funds become available during fiscal year 2007-2008, that the appropriation for the business incubator program shall be increased by \$4,000,000.00 to be distributed as described in this section.

Sec. 1024. (1) From the funds appropriated in part 1 for the 21st century jobs fund program, \$1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the SBIR or STTR grant or loan matching program. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.

(2) All funds available to the strategic economic investment and commercialization board from grant and loan awards from the competitive edge technology grant and loan program as created in 2005 PA 225 that are not accepted or claimed by awardees shall be allocated to the Michigan small business technology development centers to fund the federal SBIR and STTR matching grant and loan programs as provided in this section.

Sec. 1025. The MEDC shall separately report the number of actual direct jobs and the number of indirect jobs that are projected to be created as a result of any financial or tax incentive package that is offered to a business. Additionally, information regarding total salaries and employer sponsored benefits shall be included if available. This includes all publications issued by the agency for marketing and public information purposes.

Sec. 1027. (1) The Michigan strategic fund shall amend the contract entered into pursuant to Michigan strategic fund board resolution 2007-079 approved on June 27, 2007, to provide that at least \$3,000,000.00 of the \$3,400,000.00 contract amount shall be distributed not later than March 31, 2008, and that the purposes for which the funds can be used be expanded to include all types of operating expenses.

(2) If the contract is not amended as described in subsection (1) by February 28, 2007, then from the appropriation in part 1 for 21st century jobs trust fund programs, an amount of not more than \$3,000,000.00 shall be allocated to Lakeshore Advantage in fiscal year 2007-2008 to bring the total payments to that organization to \$3,000,000.00 in fiscal year 2007-2008.

Sec. 1029. It is the intent of the legislature that the fund only award tax breaks or other economic development incentives to companies that give preference to Michigan workers.

Sec. 1030. The funds appropriated in part 1 to the Berrien County brownfield redevelopment authority shall be expended for a brownfield redevelopment project in Watervliet Township to construct an ethanol plant.

Sec. 1031. The funds appropriated in part 1 to McBain Township, Missaukee County, shall be used for grants and loans to the township and shall be expended by the township for infrastructure improvements.

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 2007-2008

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
OPERATING FUNDS				
General fund/general purpose.....	0110	2.1	9,657.1	46.2
General fund/special purpose		516.6	15,600.2	1,197.0
Special Revenue Funds:				
Countercyclical budget and economic stabilization	0111	2.1	0.0	2.2
Game and fish protection	0112	22.5	63.2	0.0
Michigan employment security act administration	0113	0.0	14.0	8.6
State aeronautics	0114	1.7	181.4	0.3
Michigan veterans' benefit trust.....	0115	0.0	5.0	0.0
State trunkline	0116	0.0	2,074.5	0.0
Michigan state waterways	0117	0.8	26.1	1.3
Blue Water Bridge	0118	0.0	15.7	0.0
Michigan transportation	0119	0.0	2,002.6	0.0
Comprehensive transportation	0120	0.0	320.9	0.0
School aid	0122	0.0	13,431.9	0.0
Marine safety	0123	0.1	5.3	0.0
Game and fish protection trust	0124	6.6	12.0	6.0
State park improvement	0125	1.3	40.8	0.0
Forest development	0126	0.0	27.3	0.0
Michigan civilian conservation corps endowment	0128	0.1	0.7	0.0
Michigan natural resources trust.....	0129	33.6	53.2	37.4
Michigan state parks endowment	0130	8.8	16.6	6.7
Safety education and training.....	0131	2.1	7.0	1.1
Bottle deposit.....	0136	0.0	15.1	0.0
State construction code	0138	2.9	12.7	0.0
Children's trust.....	0139	1.8	3.8	2.2
State casino gaming	0140	12.5	32.8	0.0
Homeowner construction lien recovery	0141	2.9	0.6	1.8
Michigan nongame fish and wildlife	0143	0.2	0.6	0.0
Michigan merit award trust	0154	0.0	289.1	0.1
TOTALS.....		\$618.7	\$43,910.2	\$1,311.0

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2008; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

John Pappageorge
Mark Jansen
Glenn Anderson
Conferees for the Senate

Marsha Cheeks
George Cushingberry, Jr.
Goeff Hansen
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Tobocman moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 514**Yeas—83**

Accavitti	Coulouris	Jackson	Moore
Agema	Cushingberry	Johnson	Moss
Amos	Dean	Jones, Rick	Nofs
Angerer	Dillon	Jones, Robert	Palsrok
Ball	Donigan	Lahti	Polidori
Bauer	Ebli	LaJoy	Rocca
Bennett	Emmons	Law, David	Sak
Bieda	Espinoza	Law, Kathleen	Scott
Booher	Farrah	LeBlanc	Sheltrown
Brown	Gaffney	Leland	Simpson
Byrnes	Gillard	Lemmons	Smith, Alma
Byrum	Gonzales	Lindberg	Smith, Virgil
Calley	Green	Mayes	Spade
Casperson	Griffin	McDowell	Tobocman
Caul	Hammel	Meadows	Vagnozzi
Cheeks	Hammon	Meekhof	Valentine
Clack	Hansen	Meisner	Walker
Clemente	Hood	Melton	Warren
Condino	Hopgood	Meltzer	Wojno
Constan	Horn	Miller	Young
Corriveau	Huizenga	Moolenaar	

Nays—25

Acciavatti	Hune	Pastor	Shaffer
Brandenburg	Knollenberg	Pavlov	Sheen
Caswell	Marleau	Pearce	Stahl
Elsenheimer	Nitz	Proos	Stakoe
Garfield	Opsommer	Robertson	Steil
Hildenbrand	Palmer	Schuitmaker	Wenke
Hoogendyk			

In The Chair: Sak

Rep. Sheen, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

These budgets were based on income tax, sales tax and increased fees. I could not vote to increase taxes on Michigan’s citizens or job providers at a time when so many have either lost jobs, faced failing businesses and otherwise tightened their belts and made cuts in their own budgets. Why should government be held at a different standard than everyone else in the state?

Holding government harmless is elitist, disingenuous, and wrong. You did not send me to Lansing to preserve government spending to the detriment of its citizens and its job providers. The income tax increase of 12% (from 3.9% to 4.35%) and spreading a 6 % sales tax on many services and business-to-business transactions on top of all the other taxes does not benefit the state’s economy or its citizens in any way. However, it does take more money out of people’s paychecks and increase the cost of living. It drives up the cost of doing business and drives out more employers, increasing unemployment and making Michigan’s problems worse. We might as well put a red flashing light at the state line warning businesses not to come here.”

Rep. DeRoche entered the House Chambers.

Senate Bill No. 240, entitled

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2008; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

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

The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 240, entitled

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2008; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Recommends:

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

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2008; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2008, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	3,029.3	
GROSS APPROPRIATION		\$ 3,360,295,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 3,360,295,600

For Fiscal Year
Ending Sept. 30,
2008

Federal revenues:	
DOT, federal transit act.....	59,262,100
DOT-FHWA, highway research, planning, and construction	1,140,378,500
DOT-FRA, local rail service assistance.....	100,000
DOT-FRA, rail passenger/HSGT.....	1,000,000
Total federal revenues.....	1,200,740,600
Special revenue funds:	
Local funds.....	42,850,000
Total local revenues.....	42,850,000
Total private revenues.....	0
Blue Water Bridge fund.....	15,672,000
Comprehensive transportation fund.....	242,729,500
Economic development fund.....	44,315,000
Intercity bus equipment fund.....	1,000,000
Local bridge fund.....	32,618,400
Michigan transportation fund.....	1,054,150,500
Rail freight fund.....	2,000,000
State aeronautics fund.....	12,705,000
State trunkline fund.....	711,514,600
Total other state restricted revenues.....	2,116,705,000
State general fund/general purpose.....	\$ 0
TOTAL STATE SPENDING.....	2,116,705,000
Sec. 102. DEBT SERVICE	
State trunkline.....	\$ 170,934,500
Economic development.....	14,609,400
Local bridge fund.....	3,000,000
Blue Water Bridge.....	1,751,800
Airport safety and protection plan.....	3,474,600
Comprehensive transportation.....	29,841,900
GROSS APPROPRIATION.....	\$ 223,612,200
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	55,080,000
Special revenue funds:	
Blue Water Bridge fund.....	1,751,800
Comprehensive transportation fund.....	29,841,900
Economic development fund.....	14,609,400
Local bridge fund.....	3,000,000
State aeronautics fund.....	3,474,600
State trunkline fund.....	115,854,500
State general fund/general purpose.....	\$ 0
Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
Michigan transportation fund (MTF)	
MTF grant to department of environmental quality.....	\$ 1,057,000
MTF grant to department of state for collection of revenue and fees.....	20,000,000
MTF grant to department of treasury.....	8,004,600
MTF grant to legislative auditor general.....	204,300
State trunkline fund (STF)	
STF grant to department of attorney general.....	2,807,200
STF grant to department of civil service.....	2,700,000
STF grant to department of history, arts, and libraries.....	133,100
STF grant to department of management and budget.....	1,502,200
STF grant to department of state police.....	9,564,800
STF grant to department of treasury.....	199,500
STF grant to legislative auditor general.....	474,600
State aeronautics fund (SAF)	
SAF grant to department of attorney general.....	156,900
SAF grant to department of civil service.....	55,000

For Fiscal Year
Ending Sept. 30,
2008

SAF grant to department of history, arts, and libraries	2,300
SAF grant to department of management and budget.....	38,700
SAF grant to department of treasury	73,600
SAF grant to legislative auditor general.....	19,600
Comprehensive transportation fund (CTF)	
CTF grant to attorney general	159,000
CTF grant to department of civil service	95,000
CTF grant to department of history, arts, and libraries	3,800
CTF grant to department of management and budget.....	62,100
CTF grant to department of treasury	1,300
CTF grant to legislative auditor general.....	25,200
GROSS APPROPRIATION.....	\$ 47,339,800
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	346,400
Michigan transportation fund	29,265,900
State aeronautics fund	346,100
State trunkline fund.....	17,381,400
State general fund/general purpose	\$ 0
Sec. 104. EXECUTIVE DIRECTION	
Full-time equated unclassified positions	6.0
Full-time equated classified positions.....	31.3
Unclassified salaries	\$ 532,200
Asset management council	1,626,400
Commission audit—31.3 FTE positions	3,498,100
GROSS APPROPRIATION.....	\$ 5,656,700
Appropriated from:	
Special revenue funds:	
Michigan transportation fund	1,626,400
State trunkline fund.....	4,030,300
State general fund/general purpose	\$ 0
Sec. 105. BUSINESS SUPPORT	
Full-time equated classified positions.....	78.0
Business support services—48.0 FTE positions	\$ 5,817,300
Human resources—21.0 FTE positions	2,441,800
Economic development and enhancement programs—9.0 FTE positions	1,151,700
Property management.....	9,266,800
Human resources optimization user charges.....	205,000
Worker’s compensation	2,146,000
GROSS APPROPRIATION.....	\$ 21,028,600
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	1,324,000
Economic development fund	494,200
Michigan transportation fund	179,000
State aeronautics fund	668,700
State trunkline fund.....	18,362,700
State general fund/general purpose	\$ 0
Sec. 106. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 28,483,300
GROSS APPROPRIATION.....	\$ 28,483,300
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	1,446,900
Special revenue funds:	
Blue Water Bridge fund	46,800
Comprehensive transportation fund.....	183,500

	For Fiscal Year Ending Sept. 30, 2008
Economic development fund.....	37,100
Michigan transportation fund.....	242,600
State aeronautics fund.....	143,200
State trunkline fund.....	26,383,200
State general fund/general purpose	\$ 0
Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES	
Full-time equated classified positions.....	243.5
Financial and contractual services	
Financial operations—80.0 FTE positions.....	\$ 7,904,800
Contract services—53.6 FTE positions	5,127,100
Technical and support services—42.9 FTE positions	5,346,000
Performance excellence—12.0 FTE positions	1,435,500
Welcome center operations—55.0 FTE positions	4,860,700
GROSS APPROPRIATION.....	\$ 24,674,100
Appropriated from:	
Special revenue funds:	
Michigan transportation fund.....	1,894,700
State trunkline fund.....	22,779,400
State general fund/general purpose	\$ 0
Sec. 108. TRANSPORTATION PLANNING	
Full-time equated classified positions.....	176.0
Statewide planning services—124.0 FTE positions.....	\$ 13,013,500
Data collection services—52.0 FTE positions.....	5,637,200
Specialized planning services and local studies	16,698,200
Grants to regional planning councils.....	488,800
GROSS APPROPRIATION.....	\$ 35,837,700
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	22,000,000
Special revenue funds:	
Comprehensive transportation fund.....	960,300
Michigan transportation fund.....	6,304,500
State aeronautics fund.....	261,900
State trunkline fund.....	6,311,000
State general fund/general purpose	\$ 0
Sec. 109. DESIGN AND ENGINEERING SERVICES	
Full-time equated classified positions.....	1,500.8
Engineering services—785.1 FTE positions.....	\$ 58,279,800
Program services—704.7 FTE positions	39,350,100
Intelligent transportation systems operations—11.0 FTE positions	10,091,100
GROSS APPROPRIATION.....	\$ 107,721,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	18,909,800
Special revenue funds:	
Michigan transportation fund.....	5,597,400
State trunkline fund.....	83,213,800
State general fund/general purpose	\$ 0
Sec. 110. HIGHWAY MAINTENANCE	
Full-time equated classified positions.....	828.7
State trunkline operations—828.7 FTE positions	\$ 131,976,500
Contract operations.....	146,631,200
GROSS APPROPRIATION.....	\$ 278,607,700
Appropriated from:	
Special revenue funds:	
State trunkline fund.....	278,607,700
State general fund/general purpose	\$ 0

For Fiscal Year
Ending Sept. 30,
2008**Sec. 111. ROAD AND BRIDGE PROGRAMS**

State trunkline federal aid and road and bridge construction.....	\$	951,515,600
Local federal aid and road and bridge construction.....		268,570,000
Grants to local programs.....		33,000,000
Rail grade crossing		3,000,000
Local bridge fund.....		29,618,400
County road commissions		623,396,400
Cities and villages.....		347,571,400
GROSS APPROPRIATION.....	\$	2,256,671,800

Appropriated from:

Federal revenues:

DOT-FHWA, highway research, planning, and construction		1,042,941,800
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Special revenue funds:

Local funds		30,000,000
Blue Water Bridge fund		8,553,200
Local bridge fund.....		29,618,400
Michigan transportation fund		1,006,967,800
State trunkline fund.....		138,590,600
State general fund/general purpose	\$	0

Sec. 112. BLUE WATER BRIDGE

Full-time equated classified positions.....	41.0	
Blue Water Bridge operations—41.0 FTE positions.....		\$ 5,320,200
GROSS APPROPRIATION.....		\$ 5,320,200

Appropriated from:

Special revenue funds:

Blue Water Bridge fund		5,320,200
State general fund/general purpose	\$	0

Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND

Forest roads	\$	5,040,000
Rural county urban system.....		2,500,000
Target industries/economic redevelopment.....		12,567,100
Urban county congestion.....		4,533,600
Rural county primary		4,533,600
GROSS APPROPRIATION.....	\$	29,174,300

Appropriated from:

Special revenue funds:

Economic development fund.....		29,174,300
State general fund/general purpose	\$	0

Sec. 114. AERONAUTICS SERVICES

Full-time equated classified positions.....	84.0	
Airport improvement services—30.0 FTE positions.....		\$ 2,850,700
Aviation services—26.0 FTE positions		4,259,800
Freight and safety services—28.0 FTE positions		3,305,100
Air service program		700,000
GROSS APPROPRIATION.....	\$	11,115,600

Appropriated from:

Special revenue funds:

Comprehensive transportation fund.....		1,429,900
Michigan transportation fund		1,875,200
State aeronautics fund.....		7,810,500
State general fund/general purpose	\$	0

Sec. 115. PUBLIC TRANSPORTATION SERVICES

Full-time equated classified positions.....	46.0	
Passenger transportation services—46.0 FTE positions.....		\$ 5,316,500
GROSS APPROPRIATION.....	\$	5,316,500

Appropriated from:

Federal revenues:

DOT, federal transit act.....		762,100
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For Fiscal Year
Ending Sept. 30,
2008

Special revenue funds:	
Comprehensive transportation fund.....	4,357,400
Michigan transportation fund.....	197,000
State general fund/general purpose	\$ 0
Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
Local bus operating.....	\$ 166,624,000
Nonurban operating/capital	18,200,000
GROSS APPROPRIATION.....	\$ 184,824,000
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	17,000,000
Special revenue funds:	
Local funds	1,200,000
Comprehensive transportation fund.....	166,624,000
State general fund/general purpose	\$ 0
Sec. 117. INTERCITY PASSENGER AND FREIGHT	
Freight property management.....	\$ 1,000,000
Detroit/Wayne County port authority	500,000
Intercity Services	7,850,000
Rail passenger service.....	7,900,000
Freight preservation and development.....	5,092,900
Rail infrastructure loan program	600,000
Marine passenger services.....	400,000
Terminal development.....	550,000
GROSS APPROPRIATION.....	\$ 23,892,900
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	4,500,000
DOT-FRA, local rail service assistance.....	100,000
DOT-FRA, rail passenger/HSGT	1,000,000
Special revenue funds:	
Local funds	50,000
Comprehensive transportation fund.....	15,242,900
Intercity bus equipment fund	1,000,000
Rail freight fund	2,000,000
State general fund/general purpose	\$ 0
Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
Specialized services	\$ 9,500,100
Municipal credit program.....	2,000,000
Bus capital	46,163,600
Van pooling.....	195,000
Service initiatives	916,500
Transportation to work.....	12,244,000
GROSS APPROPRIATION.....	\$ 71,019,200
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	37,000,000
Special revenue funds:	
Local funds	11,600,000
Comprehensive transportation fund.....	22,419,200
State general fund/general purpose	\$ 0

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 2007-2008 is \$2,116,705,000.00 and state spending from state resources to be paid to local units

of government for fiscal year 2007-2008 is \$1,240,293,900.00. 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.....		16,587,200
Grants to cities and villages.....		347,571,400
Grants to county road commissions		623,396,400
Local bridge fund.....		29,618,400
Grants to regional planning councils.....		488,800
Local bus operating.....		166,624,000
Bus capital		11,163,600
Marine passenger service		400,000
Detroit/Wayne County port authority		500,000
Municipal credit program.....		2,000,000
Specialized services.....		4,100,100
Transportation to work.....		4,844,000
Total payments to local units of government.....	\$	<u>1,240,293,900</u>

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

Sec. 203. As used in this act:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "EDF" means economic development fund.
- (h) "FTE" means full-time equated.
- (i) "MTF" means Michigan transportation fund.
- (j) "RIF" means recreation improvement fund.
- (k) "SAF" means state aeronautics fund.
- (l) "STF" means state trunkline fund.

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

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

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

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 6 months. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. 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 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. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director of each department receiving appropriations in part 1 may 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 encourage firms with which the department contracts to subcontract with certified businesses in deprived and depressed communities for services, supplies, or both.

Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 258. 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. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 260. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 261. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

Sec. 262. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 263. (1) The department shall report no later than April 1, 2008 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 264. From the funds appropriated in part 1, the director shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2008 and September 30, 2008, the director shall submit a report to the state budget director, the senate and house appropriation subcommittees and the senate and house fiscal agencies on the progress made toward increased efficiencies in department programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented and actual and projected expenditure savings as a result of the increased program efficiencies.

DEPARTMENTAL SECTIONS

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for fees associated with freedom of information requests. Unless otherwise authorized by statute, all fee revenue shall be credited to the state trunkline fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. The department shall permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain the property.

Sec. 306. (1) The amounts appropriated in section 103 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments shall be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts shall be executed prior to the expenditure or obligation of those funds. The contracts shall provide, but are not limited to, the following data applicable to each state department.

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services provided to the department and/or transportation funds and financed with transportation funds.

(c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general, and the report shall be subject to audit by the auditor general as provided in subsection (4).

(3) In addition to the requirements of subsection (2), 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.

(4) Biennially, in each even-numbered fiscal year, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years. The audit shall include both charges governed by interdepartmental contracts as well as miscellaneous charges from other state departments not governed by contracts. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a summary of charges and related services to transportation funds by department, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any unreimbursed transportation-related costs, if any. The report shall be provided to the senate and house of representatives committees on appropriations, the senate and house fiscal agencies, and the state budget director 9 months after publication of the state of Michigan comprehensive annual financial report.

Sec. 307. Before March 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director on their respective activities under this section.

Sec. 309. The department shall reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 312. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on February 1 of each year and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:

- (a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.
- (b) The time charged to each work activity, including time charged to each audit, review, or investigation.
- (c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 324. From the funds appropriated in part 1, \$500,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement and the "give 'em a brake" campaign. The funding shall be used to reimburse law enforcement agencies for costs associated with construction zone traffic enforcement. The funding shall be provided based on approved memoranda of understanding between the department and participating law enforcement agencies.

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by September 30 of each year to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 361. The department will notify the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director of any changes to the services or function of the multi-modal transportation services program as approved by the state transportation commission.

Sec. 370. From the funds appropriated in part 1, the department shall maintain a complaint process to enforce the charter service prohibition contained in section 10e of 1951 PA 51, MCL 247.660e. The complaint process shall be independent from the charter service complaint process administered by the federal department of transportation, federal transit administration under 49 CFR part 604. The process shall allow complainants to file written complaints with the director, either through the United States mail or through the department's Internet site. The process shall allow complainants and respondents to provide evidence to the director regarding the alleged complaint. The director shall dispose of all complaints within 120 days after receipt.

Sec. 374. The department shall produce and distribute all employee newsletters electronically.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 376. No later than March 1 of each year, the department shall report to the senate and house appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored.

Sec. 383. (1) The department shall prepare a quarterly report on all travel by executive branch employees on department-owned aircraft. The report shall include, by department, the name of the traveler, the travel origination location, the travel destination location, type of aircraft, and the total estimated costs associated with the air travel.

(2) From funds appropriated in part 1, the department is prohibited from transporting local public officials, university employees, other public employees, or members of the public on state-owned aircraft unless accompanied by state employees on related official state business.

(3) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader and/or the speaker of the house of representatives and only when the aircraft is already scheduled by state employees on related official state business.

(4) This section does not apply to transportation that is related to law enforcement or homeland security activities.

(5) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

Sec. 384. (1) The state transportation department is allowed to finish the Detroit River international crossing (DRIC) study provided that activity associated with finishing the DRIC study shall not bind the state in any way to construction or future action of any DRIC project recommendation. From the funds appropriated in part 1, the department is prohibited from pursuing actions beyond the normal completion of the study phase. Such prohibited actions include, but are not limited to, applications for federal permits, design engineering work, right-of-way acquisition, construction, routine property acquisition, or condemnation activity. Advanced property acquisitions, both hardship and opportunity purchases, during the study are allowed as long as they do not bind the state. The department will notify, in writing, both the house and senate appropriations committees within 30 days of any advanced property acquisition purchases. Any additional spending to implement any recommendation of the DRIC study will require prior approval of the full legislature.

(2) The senate and house shall hold committee hearings on the involvement of the department on the DRIC study at which time the department shall present an accounting of any DRIC project costs.

(3) Within 30 days of the effective date of this act, the department shall submit a report to the senate and house appropriations subcommittees on transportation and the state transportation commission that identifies the source and use of all funds attributable to or expended in furtherance of the DRIC study or the border transportation partnership. The report shall include copies of all contracts, agreements, and expenses associated with the project from October 1, 2003 to June 30, 2007.

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 representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not approved within 30 business days by both the senate and house of representatives appropriations transportation subcommittees, then the recommendation or recommendations shall be considered as disapproved. If either the senate or house of representatives appropriations transportation subcommittees disapproves the proposed distribution, then the senate and house of representatives appropriations transportation subcommittees and the department shall hold a joint meeting to develop a final distribution.

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to the state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state-restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of labor and economic growth or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) The department of transportation economic development fund and local bridge fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the respective funds in addition to funds appropriated in part 1.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreation improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

STATE TRUNKLINE FUND

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before March 1 of each year.

Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 611. From the appropriations in part 1, the department shall use high-quality pavement marking materials for all state trunkline projects with a design life of 10 years or greater. The department shall coordinate with material suppliers, equipment manufacturers, and application contractors to ensure cost-effective improvements in durability and retro-reflectivity.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1 of each year, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number 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. 615. It is the intent of the legislature that the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. It is the intent of the legislature that the department develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2008.

Sec. 616. It is the intent of the legislature that the department shall reimburse the city of Petoskey for installation of a traffic light on US-31 at the intersection with Bay Harbor in Emmet County.

Sec. 639. The department shall develop a plan and schedule to place signs on state highways that direct motorists to drive on the right half of the roadway in accordance with section 634 of the Michigan vehicle code, 1949 PA 300, MCL 257.634. The plan and schedule shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by November 1, 2007.

Sec. 640. The department shall develop a plan and schedule to place signs on state highways that direct motorists to yield the right-of-way to approaching emergency vehicles in accordance with section 653 of the Michigan vehicle code, 1949 PA 300, MCL 257.653. The plan and schedule shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by November 1, 2007.

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.

Sec. 658. It is the intent of the legislature that the department proceed with the reconstruction of the interchange at I-196 and Phoenix Road in South Haven.

Sec. 659. For pavement projects for which there are no Michigan actual historic project maintenance, repair, and resurfacing schedules and costs as recorded by the pavement management system, the department may use actual historical and comparable data for equivalent designs from states with similar climates, soil structures, and vehicle traffic.

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 that is 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 of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment. At the close of the fiscal year, any funds remaining in the intercity bus equipment fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail freight fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 705. Funds appropriated in part 1 for the rail infrastructure loan program shall be credited to the rail infrastructure loan fund established in section 15a of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

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
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago on a 7-day basis, consistent with the other provisions of this section.

(2) Any state subsidy for rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago shall not exceed \$7,100,000.00.

(3) The rail carrier shall, as a condition to receiving a state operating subsidy, maintain a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

(4) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance.

(5) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.

Sec. 714. (1) The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.

(2) The department shall report by March 1 of each year on its efforts to implement this section over the past 2 years.

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF.

Sec. 722. From the funds appropriated in part 1 for transportation to work from the CTF, sufficient funds shall be used as a match for job access reverse commute grants for local transit agencies.

Sec. 729. From the funds appropriated in part 1 for intercity services, \$100,000.00 shall be used for lost ridership support and/or marketing efforts to increase awareness of intercity bus service, increase ridership on intercity bus carriers, and improve coordination of intercity bus service in Michigan.

Sec. 730. The department shall sell all state-owned intercity bus equipment within 6 months of termination of lease agreements with intercity bus carriers. The proceeds from the sale of state-owned intercity bus equipment under this section shall be deposited in the intercity bus equipment fund, consistent with section 701.

Sec. 731. The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Sec. 732. (1) From the funds appropriated in part 1 for local bus operating, eligible authorities and eligible governmental agencies receiving grants under section 10e of 1951 PA 51, MCL 247.660e, shall equip vehicles with necessary operational lifts and certify to the department, in a format specified by the department, that those lifts are maintained and cycled on a regularly scheduled basis to ensure operability consistent with authority granted to the department under 1951 PA 51, MCL 247.651 to 247.675.

(2) By October 29, 2007, eligible authorities and eligible governmental agencies shall forward to the department and the senate and house fiscal agencies a report on the status of their fleet with respect to operational lifts pursuant to subsection (1). Eligible authorities and eligible governmental agencies shall specifically include information in the report on the number and percentage of the fleet with operational lifts, and the number and percentage of the fleet with operational lifts that are not in working order.

(3) An eligible authority or eligible governmental agency that reports, pursuant to subsection (2), that vehicles currently eligible for or in active service have lifts that are not operational, shall certify to the department by December 31, 2007 that the nonoperational lifts have been repaired or replaced and are operational.

(4) By April 1, 2008, the department director shall certify, in writing, to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is accurate to the best of the director's knowledge. In the event that the department director finds that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is inaccurate, the director shall notify the eligible authority or eligible governmental agency of the inaccuracies and require submission of a corrected report.

(5) Eligible authorities and eligible governmental agencies that report, pursuant to subsection (2), nonoperational lifts on vehicles currently eligible for or in active service, and who are unable to certify, pursuant to subsection (3), that lifts have been repaired or replaced by December 31, 2007, shall not receive 25% of their monthly local bus

operating grant, beginning January 1, 2007. Persons 65 years of age or older and persons with disabilities shall be exempt from fare box charges for the period an eligible authority or eligible governmental agency has funds withheld pursuant to this subsection.

(6) If the eligible authority or eligible governmental agency certifies on or before April 30, 2008 that lifts reported as nonoperational pursuant to subsections (3) and (4) are now operational, funds withheld during the period subsequent to December 31, 2007 shall be forwarded to the applicable eligible authority or eligible governmental agency. If the applicable lifts are not operational by April 30, 2008, funds withheld pursuant to subsection (4) shall be forfeited and deposited to the comprehensive transportation fund.

(7) The department shall report to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director on September 30, 2008, regarding actions taken with respect to implementation of this section.

(8) The department shall ensure that transit agencies have adequate wheelchair lifts available on demand response vehicles to meet the needs of persons with disabilities.

(9) Eligible authorities and eligible governmental agencies which have been certified by the department director for 3 consecutive years are exempt from the reporting requirements in subsections (2) and (3) unless a complaint has been filed.

Sec. 734. (1) The department shall ensure that all public transit agencies provide the highest quality public transit service by moving people in a cost-effective, safe, and user-friendly manner that maintains and attracts residents and businesses.

(2) Public transit agencies receiving funds under part 1 shall do all of the following:

(a) Provide efficient, cost-effective, safe, well-maintained, reliable, customer-driven transportation services.

(b) Provide a quality work environment that has and fulfills employee performance, productivity, and development standards.

(c) Identify and capture all available funding or create cost-effective programs to eliminate debt and have a balanced budget.

(d) Maintain sufficient local and community funding.

(e) Support business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

Sec. 736. From the funds appropriated in part 1, the department shall work with intercity rail and bus passenger carriers to coordinate intercity passenger transportation in Michigan. The department shall assist in the coordination of intercity routes, schedules, and facilities.

Sec. 737. It is the intent of the legislature that the department proceed with the construction of a Birmingham/Troy intermodal passenger facility.

Sec. 740. The department shall report by March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director the encumbered and unencumbered balances of the comprehensive transportation fund.

Sec. 741. The department shall report by March 1, 2008 to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director on progress made to improve the Ann Arbor & NW Michigan railroad's track infrastructure for the purpose of supporting passenger train speed of 59 miles per hour.

AERONAUTICS FUND

Sec. 801. At the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2008; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Bill Hardiman
Alan L. Cropsey
Glenn Anderson
Conferees for the Senate

Lee Gonzales
Steve Tobocman
Daniel Acciavatti
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Tobocman moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 515**Yeas—88**

Accavitti	Dillon	Jones, Robert	Palmer
Acciavatti	Donigan	Knollenberg	Pavlov
Amos	Ebli	Lahti	Pearce
Angerer	Elsenheimer	LaJoy	Polidori
Ball	Espinoza	Law, David	Proos
Bauer	Farrah	Law, Kathleen	Rocca
Bennett	Gaffney	LeBlanc	Sak
Bieda	Gillard	Leland	Schuitmaker
Booher	Gonzales	Lemmons	Scott
Brandenburg	Green	Lindberg	Shaffer
Brown	Griffin	Marleau	Simpson
Byrum	Hammel	Mayer	Smith, Alma
Casperson	Hammon	McDowell	Smith, Virgil
Cheeks	Hansen	Meadows	Spade
Clack	Hildenbrand	Meekhof	Steil
Clemente	Hood	Meisner	Tobocman
Condino	Hopgood	Melton	Vagnozzi
Constan	Horn	Miller	Valentine
Corriveau	Huizenga	Moss	Walker
Coulouris	Jackson	Nitz	Warren
Cushingberry	Johnson	Nofs	Wojno
Dean	Jones, Rick	Opsommer	Young

Nays—21

Agema	Emmons	Moolenaar	Sheen
Byrnes	Garfield	Moore	Sheltrown
Calley	Hoogendyk	Palsrok	Stahl
Caswell	Hune	Pastor	Stakoe
Caul	Meltzer	Robertson	Wenke
DeRoche			

In The Chair: Sak

Rep. Robertson, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

I have chosen to vote No on this Conference Committee report because of my opposition to the removal of \$13 million in Transportation Economic Development Funds (TEDF). The removal of these monies adversely effects the City of Fenton’s assumption of responsibility for Business US-23 within the city limits. Fenton agreed to accept this obligation

with the clear understanding of financial support from TEDF during the transition period. MDOT eagerly wanted the city of Fenton to assume this responsibility. The reconstruction and widening of these roads are crucial to Fenton's future economic development, and the reconstruction is currently underway. The adoption of this budget clearly breaks a promise to my constituents and leaves Fenton with an outstanding obligation of \$400,000. For these reasons I must vote No on this conference report."

Rep. Sheen, having reserved the right to explain his nay vote, made the following statement:

"Mr. Speaker and members of the House:

These budgets were based on income tax, sales tax and increased fees. I could not vote to increase taxes on Michigan's citizens or job providers at a time when so many have either lost jobs, faced failing businesses and otherwise tightened their belts and made cuts in their own budgets. Why should government be held at a different standard than everyone else in the state?

Holding government harmless is elitist, disingenuous, and wrong. You did not send me to Lansing to preserve government spending to the detriment of its citizens and its job providers. The income tax increase of 12% (from 3.9% to 4.35%) and spreading a 6 % sales tax on many services and business-to-business transactions on top of all the other taxes does not benefit the state's economy or its citizens in any way. However, it does take more money out of people's paychecks and increase the cost of living. It drives up the cost of doing business and drives out more employers, increasing unemployment and making Michigan's problems worse. We might as well put a red flashing light at the state line warning businesses not to come here."

Rep. Tobocman moved that House Committees be given leave to meet during the balance of today's session. The motion prevailed.

Senate Bill No. 232, entitled

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

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

The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 232, entitled

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Recommends:

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

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2008, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY:

Full-time equated classified positions	10,575.4	
Full-time equated unclassified positions	5.0	
Total full-time equated positions	10,580.4	
GROSS APPROPRIATION		\$ 4,589,358,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,416,000
ADJUSTED GROSS APPROPRIATION		\$ 4,586,942,000
Federal revenues:		
Total federal revenues		3,154,939,900
Special revenue funds:		
Total private revenues		9,039,200
Total local revenues		50,331,900
Total other state restricted revenues		59,698,600
State general fund/general purpose		\$ 1,312,932,400

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions	473.3	
Full-time equated unclassified positions	5.0	
Full-time equated classified positions	468.3	
Unclassified salaries—5.0 FTE positions		\$ 537,900
Salaries and wages—326.3 FTE positions		18,813,000
Contractual services, supplies, and materials		5,900,500
Demonstration projects—9.0 FTE positions		8,235,800
Inspector general salaries and wages—106.0 FTE positions		5,752,400
Electronic benefit transfer EBT		7,333,600
Office of professional development—12.0 FTE positions		2,352,200
Michigan community service commission—15.0 FTE positions		9,733,700
State office of administrative hearings and rules		3,538,000
GROSS APPROPRIATION		\$ 62,197,100

Appropriated from:

Federal revenues:		
Total federal revenues		40,585,300
Special revenue funds:		
Total private revenues		2,199,600
Total local revenues		175,000
Total other state restricted revenues		25,000
State general fund/general purpose		\$ 19,212,200

Sec. 103. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions	213.7	
Child support enforcement operations—207.7 FTE positions		\$ 24,136,900
Legal support contracts		139,753,600
Child support incentive payments		32,409,600
State disbursement unit—6.0 FTE positions		18,505,800
GROSS APPROPRIATION		\$ 214,805,900

Appropriated from:

Federal revenues:		
Total federal revenues		186,443,100
Special revenue funds:		
Total local revenues		340,000
Total other state restricted revenues		2,625,000
State general fund/general purpose		\$ 25,397,800

For Fiscal Year
Ending Sept. 30,
2008

Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Full-time equated classified positions.....	17.0	
Bureau of community action and economic opportunity operations—17.0 FTE positions.....		\$ 1,920,700
Community services block grants		27,368,000
Weatherization assistance.....		18,418,700
GROSS APPROPRIATION.....		\$ 47,707,400

Appropriated from:

Federal revenues:

Total federal revenues		47,407,400
State general fund/general purpose		\$ 300,000

Sec. 105. ADULT AND FAMILY SERVICES

Full-time equated classified positions.....	76.2	
Executive direction and support—6.0 FTE positions		\$ 525,700
Domestic violence prevention and treatment—5.5 FTE positions		14,759,200
Rape prevention and services.....		2,600,000
Guardian contract.....		600,000
Adult services policy and administration—6.0 FTE positions.....		625,700
Income support policy and administration—28.7 FTE positions		4,716,700
Employment and training support services.....		30,259,300
Wage employment verification reporting		848,700
Urban and rural empowerment/enterprise zones.....		100
Nutrition education		13,100,000
Crisis prevention and elder law of Michigan food for the elderly project.....		170,000
Jobs, education and training expansion—30.0 FTE positions.....		17,980,800
GROSS APPROPRIATION.....		\$ 90,386,200

Appropriated from:

Interdepartmental grant revenues:

IDG from DCH - crime victims' fund.....		1,300,000
ADJUSTED GROSS APPROPRIATION		\$ 89,086,200

Appropriated from:

Federal revenues:

Total federal revenues		55,295,700
State general fund/general purpose		\$ 33,790,500

Sec. 106. CHILDREN'S SERVICES

Full-time equated classified positions.....	107.5	
Salaries and wages—43.7 FTE positions.....		\$ 2,734,900
Contractual services, supplies, and materials		936,300
Foster care payments.....		223,347,300
Adoption subsidies.....		235,637,200
Adoption support services—7.7 FTE positions		17,793,500
Youth in transition—2.0 FTE positions		13,263,700
Interstate compact		231,600
Children's benefit fund donations		21,000
Teenage parent counseling—2.3 FTE positions.....		3,815,800
Families first.....		16,946,700
Child safety and permanency planning.....		16,286,700
Strong families/safe children.....		14,919,600
Child protection/community partners—18.3 FTE positions.....		5,539,400
Zero to three		3,843,800
Family group decision making		2,454,700
Family reunification program.....		3,977,100
Family preservation and prevention services administration—14.5 FTE positions.....		2,255,300
Black child and family institute		100,000
Children's trust fund administration—9.0 FTE positions		1,027,300
Children's trust fund grants.....		3,825,100
ECIC, early childhood investment corporation.....		14,823,000
Attorney general contract.....		3,329,300

For Fiscal Year
Ending Sept. 30,
2008

Prosecuting attorney contracts	1,061,700
Child protection—5.0 FTE positions.....	800,000
Subsidized guardianship program.....	4,575,000
Title IV-E compliance and accountability office—5.0 FTE positions.....	400,000
GROSS APPROPRIATION.....	\$ 593,946,000

Appropriated from:

Federal revenues:

Total federal revenues	365,124,000
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Special revenue funds:

Private - children's benefit fund donations.....	21,000
Private - collections	3,100,000
Local funds - county chargeback.....	21,436,600
Children's trust fund	3,801,600
State general fund/general purpose	\$ 200,462,800

Sec. 107. JUVENILE JUSTICE SERVICES

Full-time equated classified positions.....	494.5
High security juvenile services, male—137.0 FTE positions	\$ 21,273,100
Medium security juvenile services— 254.0 FTE positions.....	23,901,200
Community juvenile justice centers—37.0 FTE positions	3,460,100
Child care fund	202,203,700
Child care fund administration—5.8 FTE positions	772,300
County juvenile officers.....	3,890,400
Community support services—2.0 FTE positions.....	1,495,600
Juvenile justice field staff, administration and maintenance—40.0 FTE positions	5,486,600
Federally funded activities—13.7 FTE positions.....	1,859,500
W. J. Maxey memorial fund.....	45,000
Juvenile accountability incentive block grant—1.0 FTE positions	1,297,600
Committee on juvenile justice administration—4.0 FTE positions.....	510,300
Committee on juvenile justice grants	5,000,000
GROSS APPROPRIATION.....	\$ 271,195,400

Appropriated from:

Federal revenues:

Total federal revenues	96,022,500
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Special revenue funds:

Total private revenues	45,000
Local funds - state share education funds	2,822,100
Local funds - county chargeback.....	23,746,200
State general fund/general purpose	\$ 148,559,600

Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions	8,407.9
Field staff, salaries and wages—8,126.1 FTE positions	\$ 411,004,000
Contractual services, supplies, and materials	17,152,800
Medical/psychiatric evaluations	6,300,000
Donated funds positions—131.0 FTE positions	10,769,400
Training and program support—62.0 FTE positions.....	8,340,900
Food stamp reinvestment—78.8 FTE positions	7,343,800
Wayne County gifts and bequests.....	100,000
Volunteer services and reimbursement	1,294,900
SSI advocates—10.0 FTE positions	2,163,700
GROSS APPROPRIATION.....	\$ 464,469,500

Appropriated from:

Federal revenues:

Total federal revenues	263,357,100
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Special revenue funds:

Local funds - donated funds.....	1,812,000
Private funds - donated funds.....	643,900

	For Fiscal Year Ending Sept. 30, 2008
Private funds - Wayne County gifts	100,000
Private funds - hospital contributions.....	2,929,700
Supplemental security income recoveries.....	675,200
State general fund/general purpose	\$ 194,951,600
Sec. 109. DISABILITY DETERMINATION SERVICES	
Full-time equated classified positions.....	568.4
Disability determination operations—545.9 FTE positions	\$ 82,346,600
Medical consultation program—18.4 FTE positions	2,660,900
Retirement disability determination—4.1 FTE positions	827,000
GROSS APPROPRIATION	\$ 85,834,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DMB - office of retirement systems	1,116,000
ADJUSTED GROSS APPROPRIATION	\$ 84,718,500
Appropriated from:	
Federal revenues:	
Total federal revenues	81,911,500
State general fund/general purpose	\$ 2,807,000
Sec. 110. CENTRAL SUPPORT ACCOUNTS	
Rent	\$ 40,897,300
Occupancy charge	8,910,500
Travel.....	5,627,400
Equipment.....	277,300
Worker's compensation	4,259,000
Advisory commissions	17,900
Human resources optimization user charges.....	652,000
Payroll taxes and fringe benefits	263,208,700
GROSS APPROPRIATION	\$ 323,850,100
Appropriated from:	
Federal revenues:	
Total federal revenues	188,732,600
State general fund/general purpose	\$ 135,117,500
Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING	
Full-time equated classified positions.....	219.0
AFC, children's welfare and day care licensure—219.0 FTE positions	\$ 23,750,900
GROSS APPROPRIATION	\$ 23,750,900
Appropriated from:	
Federal revenues:	
Total federal revenues	11,928,100
Special revenue funds:	
Licensing fees	832,900
Health systems fees and collections	499,400
State general fund/general purpose	\$ 10,490,500
Sec. 112. PUBLIC ASSISTANCE	
Full-time equated classified positions.....	2.9
Family independence program	\$ 373,936,400
State disability assistance payments.....	33,798,200
Food assistance program benefits.....	1,221,340,900
State supplementation	58,280,400
State supplementation administration.....	2,477,100
Low-income home energy assistance program	116,451,600
Food bank funding	675,000
Homeless shelter contracts.....	11,646,700
Multicultural assimilation funding	1,715,500
Indigent burial	6,909,300
Emergency services local office allocations.....	21,865,500

	For Fiscal Year Ending Sept. 30, 2008
Day care services	391,945,200
Refugee assistance program—2.9 FTE positions.....	12,715,800
GROSS APPROPRIATION.....	\$ 2,253,757,600
Appropriated from:	
Federal revenues:	
Total federal revenues	1,716,877,900
Special revenue funds:	
Child support collections	38,311,200
Supplemental security income recoveries.....	9,318,300
Public assistance recoupment revenue.....	3,610,000
State general fund/general purpose	\$ 485,640,200
Sec. 113. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 103,912,200
Child support automation	53,545,200
GROSS APPROPRIATION.....	\$ 157,457,400
Appropriated from:	
Federal revenues:	
Total federal revenues	101,254,700
State general fund/general purpose	\$ 56,202,700

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 2007-2008 is \$1,372,631,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$123,730,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

PERMANENCY FOR CHILDREN

Child care fund	\$ 117,930,100
County juvenile officers.....	3,570,800

OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

State disability program	\$ 2,229,500
TOTAL	\$ 123,730,400

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "DCH" means the department of community health.
- (c) "Department" means the department of human services.
- (d) "DMB" means the department of management and budget.
- (e) "ECIC" means early childhood investment corporation.
- (f) "FTE" means full-time equated.
- (g) "IDG" means interdepartmental grant.
- (h) "JET" means jobs, education and training program.
- (i) "RSDI" means retirement survivors disability insurance.
- (j) "SSI" means supplemental security income.
- (k) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (l) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.
- (m) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (n) "VA" means veterans affairs.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant

state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

Sec. 207. At least 60 days before beginning any effort to privatize services, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services. Private service providers or licensees shall not be granted preferential treatment or deemed automatically in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of such collective bargaining agreements. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 9 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This shall include transmission of reports via electronic mail, including a link to the Internet site, to the recipients identified for each reporting requirement, or it may include placement of reports on the Internet or Intranet site. On an annual basis, the department shall provide a cumulative listing of the reports to the house and senate appropriations subcommittees and the house and senate fiscal agencies and policy offices.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. 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. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 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. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 212. In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues or current year revenues that are in excess of the authorized amount.

Sec. 213. (1) The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

(2) The department shall report to the legislature during the senate and house budget hearings on the status of the food stamp error rate. The report shall include at least all of the following:

- (a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.
- (b) Review of the status of training for employees who administer the food assistance program.
- (c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.
- (d) Information detailing the effect and change in staffing due to the early retirement option.
- (e) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.
- (f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget

director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2008. With regard to federal appropriations, for each program line item funded by no more than 3 federal funding sources, the department shall provide estimates of the allocation of the appropriation for each specific federal funding source.

(2) On a bimonthly basis, the department shall report on the number of FTEs in pay status by type of staff.

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

Sec. 216. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1, 2008 a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2008. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

(a) The number of FTEs to be funded from the line item.

(b) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item.

(c) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the line item in the department budget for the fiscal year ending September 30, 2008, if different from the amount in subdivision (b).

(d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.

(e) The gross salary and wage expenditures for the line item during the fiscal year ending September 30, 2007 and the estimated salary and wage expenditures for the line item during the fiscal year ending September 30, 2008.

(f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 218. (1) The department shall prepare an annual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices within 10 days after presentation of the executive budget.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the department and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated. The written notice shall be given not less than 30 days before any changes being made in the funding allocations. This prior notice requirement also applies to new plans submitted in response to federal TANF reauthorization or replacement by an equivalent federal law.

Sec. 220. (1) In contracting with faith-based organizations for mentoring or supportive services, and in all contracts for services, the department shall ensure that no funds provided directly to institutions or organizations to provide services and administer programs shall be used or expended for any sectarian activity, including sectarian worship, instruction, or proselytization.

(2) If an individual requests the service and has an objection to the religious character of the institution or organization from which the individual receives or would receive services or assistance, the department shall provide the individual within a reasonable time after the date of the objection with assistance or services and which are substantially the same as the service the individual would have received from the organization.

(3) The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

(4) The department shall follow guidelines related to faith-based involvement established in 42 USC 604a.

Sec. 221. If the revenue collected by the department from private and local sources exceeds the amount spent from amounts appropriated in part 1, the revenue may be carried forward, with approval from the state budget director, into the subsequent fiscal year.

Sec. 222. (1) The department shall report no later than April 1, 2008 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 223. The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

Sec. 224. The department shall approve or deny a Medicaid application for a patient of a nursing home within 45 days after the receipt of the necessary information.

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than September 30, 2008.

Sec. 227. The department, with the approval of the state budget director, is authorized to realign sources of financing authorizations in order to maximize temporary assistance for needy families' maintenance of effort countable expenditures. This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

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

Sec. 262. (1) The department, in conjunction with county department of human services boards of directors and the department of management and budget, shall implement a plan to assist local services delivery effectiveness and efficiency by maximizing use of state resources while responding to unique needs in geographic regions of the state. The department shall work with the department of management and budget to reduce unnecessary layers of management, such as zone offices or regional offices that may have assumed their functions before eliminating county offices, particularly when those county office closures would subject clients and residents to lengthy travel in order to meet or consult with their caseworker. Savings resulting from the plan shall be allocated to county offices to fund additional frontline workers.

(2) The department shall not close county offices in Presque Isle County, Ontonagon County, Baraga County, or other counties where closure would subject clients to undue travel burdens.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 269. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

Sec. 270. (1) The department shall continue to implement a plan to provide client-centered results-oriented programs and services for each of the following programs:

- (a) Day care assistance.
- (b) Family independence program.
- (c) Adoption subsidy.
- (d) Foster care.
- (e) Juvenile justice services.
- (f) Jobs, education, and training (JET) pilot program and other welfare reform activities.

(2) The plan shall include detailed information to be compiled on an annual basis by the department on the following for each program listed in subsection (1):

- (a) The average cost per recipient served by the program.
- (b) Measurable performance indicators for each program.
- (c) Desired outcomes or results and goals for each program that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results for each program.
- (e) Innovations for each program that may include savings or reductions in administrative costs.

(3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

Sec. 271. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the progress of child and family services reviews (CFSR). The reviews, conducted in the state by the children's bureau of the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with the ultimate goal of improving the state child welfare system and the safety, permanency, and child and family service outcomes to children and families. The report shall be submitted January 1 and July 1.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

- (a) Changes made by the courts with respect to court forms and court rules to meet the statutory requirement.
- (b) Department policy changes within the areas of foster care, juvenile justice, and adoption to meet the statutory requirements.
- (c) Recommendations made by a workgroup composed of department and other agency stakeholders.
- (d) A summary of the 7 systemic factors that determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (e) A summary of the 7 data outcome indicators used to determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, including the length of time required to achieve family reunification for foster care cases.
- (f) Federal recommendations made to the state, including recommendations to the courts.
- (g) Federal penalties assessed against the state for noncompliance.
- (h) Status of the performance improvement plan submitted to the federal government.

Sec. 272. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate. The report shall be submitted January 1 and July 1.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

- (a) Training programs conducted by the department, a university affiliate, the child welfare institute, the Michigan judicial institute, and any private agencies that have been authorized to provide training.
- (b) Changes made by the courts on court forms and rules used in meeting the statutory requirements.

(c) Department policy changes that impact meeting the statutory requirements for day care assistance, family independence program, JET pilot, and foster care and adoption, including juvenile justice programs.

(d) Recommendations for better compliance with federal standards and increased eligibility for federal money made by a workgroup composed of representatives from the department and other departments, public and private agencies, and individual citizens.

(e) Federal recommendations submitted to the state, including recommendations to the courts.

(f) Federal penalties assessed against the state.

(g) Changes in policies or practices resulting in additional federal money, including how much additional federal money was received.

(h) Any federal warnings or notices of potential sanctions or penalties that may be imposed unless corrective state action is taken.

(i) Measures taken to prevent or avoid sanctions.

Sec. 273. (1) On a timely basis, the department shall report to the senate and house standing committees on human services and the senate and house appropriations subcommittees with oversight on the department budget regarding policy changes made to implement the provisions of enacted legislation, including the annual appropriation for the department budget.

(2) On an annual basis, the department shall provide a cumulative list of all policy changes in the following areas: child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care. The list shall be distributed to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees dealing with human services, and the senate and house fiscal agencies and policy offices.

(3) Not later than July 1, 2008, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director with copies of the annual regulatory plan submitted to the state office of administrative hearings and rules pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan shall not include proposals for rule promulgation that exceed the statutory authority granted to the department.

(4) Money for the preparation of the regulatory reform plan shall be provided solely in section 102 of the funds appropriated in part 1. Money appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would exceed statutory authority granted to the department. If the department fails to comply with the provisions of section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no money shall be expended for the further preparation of that regulatory plan or the promulgation of rules for that regulatory plan.

(5) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that fail to reduce the disproportionate economic impact on small businesses as required in section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(6) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that grant preferences to private providers of services based on whether that private provider has a collective bargaining agreement with its workers.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding \$500,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department, including services expanded such as the SSI advocacy program. A contract under this section shall specify that the contractor locate waste, fraud, error, and abuse within the department's services and programs.

(2) A contractor shall not charge the department a fee for services provided under subsection (1). However, a contractor shall receive a negotiated percentage of the savings not to exceed 25% of the gross savings achieved from implementation of a recommendation made by the contractor under this section.

(3) The department shall retain up to \$7,500,000.00 of savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

(a) Technology programs that help maintain an effective and efficient computer system for caseworkers.

(b) Additional staff in order to reduce worker-to-case ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by December 31, 2007 on the waste, fraud, error, and abuse located under subsection (1). By April 1, 2008, the department shall provide a progress report including the specific changes implemented to achieve savings under this section and the timetable for implementation of the remaining changes.

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1, 2007 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during fiscal year 2007-2008.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1, 2008 on the status of the department's information technology improvement initiatives, including the "Bridges" integration project. The report shall include details on the following:

(a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.

(b) The amounts of appropriations carried forward from previous fiscal years for information technology improvement projects.

(c) A narrative describing the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

Sec. 283. 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. 284. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 285. From the money appropriated in part 1, the department shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2008 and September 30, 2008, the department shall submit a report to the state budget director, the senate and house appropriations subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in department programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Sec. 286. The department shall contract with a private company to conduct a study of ways to streamline the department's procurement procedures for durable goods and services. A report and recommendations for streamlining the department's procurement procedures shall be prepared by the private contractor and submitted to the house and senate appropriations committees and the house and senate fiscal agencies by November 30, 2007.

EXECUTIVE OPERATIONS

Sec. 301. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 302. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Sec. 303. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) In addition to the money referred to in subsection (1), the department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

(3) In addition to the money referred to in subsection (1), the department shall award up to \$250,000.00 in competitive grants to organizations that seek to provide programs combining education on the EITC with programs building skills for strong marriages, fatherhood, or parenting.

Sec. 304. From funds appropriated in part 1 for demonstration projects, the department shall expend up to \$78,500.00 in TANF to fund a school-based crisis intervention demonstration project in Pontiac.

Sec. 305. If federal funds become available to support a lead testing program, the department shall, before issuing a license for a day care facility and as part of licensing review and facility inspection, require documentation verifying that the facility has been inspected for lead hazards and that any lead hazards identified have been remediated.

Sec. 306. Of the funds appropriated in part 1 for demonstration projects, the department shall allocate \$200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$100,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

Sec. 308. From the money appropriated in part 1 for demonstration projects, \$200,000.00 shall be expended on a contract with the University of Detroit Mercy to provide legal services for disabled veterans who are seeking eligibility under federal disability programs, including federal supplemental security income. The contract shall fund a statewide effort by the university through use of its mobile office to deliver these legal services.

Sec. 309. From the money appropriated in part 1 for community services block grants, \$300,000.00 shall be distributed to the Newberry community action agency to support its social services programs.

ADULT AND FAMILY SERVICES

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) In expending money appropriated in part 1 for the marriage initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with \$200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF eligible household served to claim the federal earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. The same amount shall be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

Sec. 419. The department in collaboration with the Michigan State University center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

(b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.

(c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

Sec. 420. From the funds appropriated in part 1 for employment and training support services, the department may allocate \$40,000.00 in TANF for welfare to career innovation grants to replicate the Kent County model with Cascade engineering.

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than \$70,000.00 to assist this state's elderly population to participate in the food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$25,000.00 for a food aid outreach project in Muskegon County and \$25,000.00 for a food aid outreach project in Kent County.

Sec. 424. Of the funds appropriated in part 1 for employment and training, \$200,000.00 in TANF funds may be used for the effective family formation program by the child and family resource council in Kent County for the purpose of instructing unwed parents in developing family formation and sustaining behaviors.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During fiscal year 2007-2008, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 months.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her nineteenth birthday.
- (d) Is not eligible for federal supplemental security income (SSI) payments.

Sec. 504. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but shall include revenues collected during the fiscal year in excess of the amount specified in part 1.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

(3) From the funds appropriated in part 1 for the children's trust fund, the department may utilize interest and investment revenue from the current fiscal year only for programs, administration, services, or all sanctioned by the child abuse and neglect prevention board.

(4) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall seek to have the children's trust fund grants distributed no later than October 31, 2007.

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation or reuniting of the family or the court denies the petition, if either of the following would result:

- (a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.
- (b) A child would be living in the same household with a parent or other adult against whom there is a substantiated charge of sexual abuse against a child.

(2) Notwithstanding subsection (1), this section shall not prohibit counseling or other services provided by the department, if the service is not directed toward influencing the child to remain in an abusive environment, justifying the actions of the abuser, or reuniting the family.

Sec. 510. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists.

Sec. 513. (1) The department and representatives of private, licensed child caring institutions shall collaborate in establishing an out-of-state child placement task force to make recommendations on the out-of-state placement of children. Representation on the task force shall be equally divided between the department and private, licensed child caring institutions.

(2) The department shall not expend money appropriated in part 1 to pay for the direct placement by the department of a child in an out-of-state facility unless all of the following conditions are met:

- (a) There is no appropriate placement available in this state, and an out-of-state placement exists within 100 miles of the child's home.
- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.

(c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.

(d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

(3) The child placement task force shall work with the department to establish a reporting process by which counties and courts may report negative experiences with out-of-state facilities, and whether they would or would not recommend placement of youth in those facilities.

(4) The department shall submit a report by February 1 of each year on the number of children who were placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

(5) The department shall cooperate with the auditor general to conduct an audit of out-of-state placements for the fiscal year ending September 30, 2007 to determine if the department properly enforced the criteria set forth in section 513 of article 10 of 2006 PA 345, and to determine if payments to counties were made for cases that were not eligible under the provisions of that act. The purpose of this audit is solely to determine compliance with the criteria. No child who was placed improperly in an out-of-state placement shall be forced to relocate to another placement as a result of this audit. A county that has received payment for a case that this audit determines to be ineligible shall not be required to reimburse the state for that payment.

(6) It is the intent of the legislature that future budgets for the department shall include a requirement for audits similar to the audit required in subsection (5). If a future audit determines a county has been improperly paid for an ineligible case under this section, it is the intent of the legislature that the county may be required to repay the amount received for the ineligible case.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1, 2008, that shall include all of the following:

(a) Statistical information including, at a minimum, all of the following:

(i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity and whether the perpetrator exposed the child victim to criminal drug activity, including the manufacture of illicit drugs, that exposed the child victim to significant health and environmental hazards.

(iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

(c) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

(d) The department policy, or changes to the department policy, regarding termination of parental rights or foster placement for children who have been exposed to the production of illicit drugs in their dwelling place or a place frequented by the children.

(e) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. (1) From the money appropriated in part 1 for foster care payments and Wayne County foster care payments and related administrative costs, the department shall use performance-based contracts for foster care services with private, nonprofit agencies and other service providers that provided satisfactory services under contract before January 1, 2007. The goal of these contracts shall be to provide incentives for agencies to improve services for children in foster care, but especially to improve the process of finding them quality permanent placements, and reducing their time as foster children. Not later than March 30, 2008, the department shall provide an update to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the office of the state budget on benchmarks developed in conjunction with private providers for these performance contracts, results agencies have achieved in improving permanency placements, and recommendations for further improvements for foster care services across the entire state.

(2) Performance-based contracts under subsection (1) shall include the following:

(a) When aggregated, the contracts shall provide coverage for all areas of this state with an emphasis on use of community-based services.

(b) Service providers shall not refuse a client or resident for whom they have the ability, resources, and capacity to care.

(c) Service providers shall maintain or achieve national accreditation for the services or activities they will provide.

(d) Service providers shall agree to provide services if another provider of similar services in a similar region of the state is no longer able to provide services.

(e) Service providers shall designate a specific court and county liaison to respond to performance problems and concerns about specific caseworkers and services. The liaisons shall be identified to all courts and counties where services are provided and shall be readily accessible to judges and chief administrative officers.

(f) Service providers shall have clear performance standards for staff and caseworkers regarding timely and professional interactions with courts that have jurisdiction over children and services provided to children.

(g) Service providers shall establish or maintain quality assurance programs or dispute resolution programs to resolve caseworker performance problems identified by courts.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) Funds appropriated in part 1 for 0 to 3 may be used to fund community-based collaborative prevention services designed to do any of the following:

(a) Foster positive parenting skills especially for parents of children under 3 years of age.

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

(d) Increase local capacity to serve families at risk.

(e) Improve school readiness.

(f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2007-2008 direct services grants.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

(5) As used in this section, "state human services directors" means the director of the department of community health, the director of the department of education, and the director of the department.

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(2) The agencies receiving teenage parent counseling TANF funds shall report to the department on both of the following:

(a) Whether program services have impacted the following issue areas:

(i) The number of teen participants having fewer repeat pregnancies.

(ii) The completion rate for high school diplomas or GEDs.

(iii) The teen participants' rate of self-sufficiency.

(iv) The number of father participants.

(b) How many teens participate in the programs and have access to any or all of the following services:

(i) Adult supervised, supportive living arrangements.

(ii) Pregnancy prevention services or referrals.

(iii) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.

(iv) Support services, including, but not limited to, health care, transportation, and counseling.

(v) Parenting and life-skills training.

(vi) Education, job training, and employment services.

(vii) Transition services in order to achieve self-sufficiency.

(viii) Instruction on self-protection.

(3) Agencies receiving teenage parent counseling funds shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations.

Sec. 524. The department shall report on prevention programs for which funds are appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

(c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results.

(e) Innovations that may include savings or reductions in administrative costs.

Sec. 531. (1) From the funds appropriated in part 1, the department shall make claims for and pay to local units of government the full benefit of federal title IV-E revenues earned as a result of the first \$5,000,000.00 of eligible costs incurred by local units of government.

(2) The department shall make payments under subsection (1) only to local units of government that have entered into formal agreements with the department. The agreement must include all of the following:

(a) Provide for the department to retain 50% of any federal revenues earned above \$5,000,000.00.

(b) Provide for department review and approval of the local unit's plan for allocating costs to title IV-E.

(c) Provide for the local unit of government to submit bills at times, and in the format, specified by the department.

(d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.

(e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit that may subsequently be disallowed by the federal government.

(f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15, 2008 on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

(3) The department shall develop a plan to license relatives of foster children as foster care providers to ensure consistent high standards of care for those foster children. The department shall report on the plan to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director during the annual budget process.

Sec. 533. (1) The department shall make payments to private nonprofit child placing facilities for title IV-E out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments.

Sec. 536. The department shall not implement a geographically based assignment system for foster care unless determined to be in the best interests of the foster children.

Sec. 537. (1) The department, in collaboration with child placing agencies shall develop goals, objectives, and performance standards to evaluate achievements and results in providing quality foster care for children, reductions in their time in foster care, and better permanency placements.

(2) The department shall submit a report to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director on the goals, objectives, and performance standards developed under subsection (1) and the results or outcomes of using the measures. The report shall be submitted during the annual budget presentations.

(3) The department, in collaboration with child placing agencies, shall develop a strategy to implement section 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 539. The department shall work in collaboration with representatives from private nonprofit child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the private nonprofit child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services.

The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Sec. 544. The department shall continue pilot projects with applications pending for accelerated residential treatment.

Sec. 545. (1) The department shall continue to implement a new specialized foster care system based upon the report and recommendations required in section 545(2) of 2004 PA 344.

(2) Not later than January 15, 2008, the department shall report to the senate and house appropriations subcommittees for the department budget, the standing committees of the senate and the house of representatives with primary jurisdiction over children's issues, and the senate and house fiscal agencies and policy offices on new services available to foster children needing special services. If new services have not been authorized or implemented in the previous calendar year, the department shall provide an explanation and a strategic plan to work with private child placing agencies to provide new services.

(3) The department shall use money appropriated in part 1 for foster care payments and Wayne County foster care payments to reduce rate disparities between providers of similar services in different geographic areas and to serve as demonstration projects for further efforts in reducing these disparities in future years.

Sec. 546. (1) From the money appropriated in part 1 for foster care payments and Wayne County foster care payments and from child care fund, the department shall pay providers of these services 1 of the following rates:

(a) The applicable rate for the fiscal year ending September 30, 2007.

(b) The \$25.00 blended rate.

(2) The department shall pay the rates in subsection (1)(a) or (b) based on the choice of the provider submitted in writing to the department.

(3) The department shall not reduce the rates for independent living cases that were paid in the fiscal year ending September 30, 2007.

(4) The department shall notify providers that it is the intent of the legislature that there be a single rate of \$27.00 for foster care excluding independent living placements.

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Sec. 549. The department shall meet with personnel employed by the office of the children's ombudsman and the state court administrative office's foster care review board to investigate streamlining the oversight process for child welfare services and to ensure appropriate and adequate oversight while reducing duplication and redundancy between government offices.

Sec. 556. The department shall submit a report to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal agencies and policy offices that includes all of the following:

(a) A description of how the department is complying with federal requirements to notify prospective adoptive parents about adoption subsidies for which those prospective adoptive parents may qualify.

(b) The number of requests received by the department from adoptive parents for funds or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues.

(c) The number of the requests described in subdivision (b) that were approved by the department.

(d) The number of the requests described in subdivision (b) that were denied by the department.

(e) The total amount of money expended on the requests described in subdivision (b) that were approved.

(f) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy.

(g) The number of challenges described in subdivision (f) alleging that a means test or similar test was used to determine the amount of the adoption subsidy.

(h) The number of challenges described in subdivision (f) alleging that an adoption subsidy amount was reduced without the consent of the adoptive parent.

(i) The number of challenges described in subdivision (f) alleging that a request for an increase in an adoption subsidy amount was denied based on a means test or similar test.

(j) The number of adoption subsidy payments suspended when the child is still in the custody of the adoptive parent, but no longer in the physical care of that adoptive parent.

Sec. 559. If a conflict arises between the provisions of state law, department rules, or department policy, and the provisions of title IV-E, the provisions of title IV-E prevail.

Sec. 562. (1) The department shall allow a county to submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

(2) The department shall submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

Sec. 563. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E demonstration project waiver.

Sec. 565. (1) From the funds appropriated in part 1 for federally-funded family preservation programs, the department shall allocate \$2,000,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) One-half of the total amount allocated to Wayne County shall be used to serve adjudicated delinquent youth, and 1/2 shall be used to serve abused and neglected youth.

(3) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(4) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

Sec. 566. (1) Subject to subsection (3), beginning October 1, 2007, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

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

(3) Beginning October 1, 2007, the department shall not enter into or maintain a contract with a for-profit child placing agency to provide direct foster care services unless the for-profit child placing agency was licensed on or before August 1, 2007.

Sec. 567. (1) The department, in conjunction with private, nonprofit child caring agencies and the chairpersons of the house and senate appropriations subcommittees on the department budget, shall review all policies, practices, and definitions for residential treatment security levels. The department shall give special consideration to how the levels affect the eligibility for title IV-E funding of residential facilities for both child welfare, abuse and neglect, and juvenile justice youth and whether the policies, practices, and definitions are consistent with federal title IV-E regulations, with the goal of maximizing the amount of federal money available to this state.

(2) In making its review under subsection (1), the department shall research the policies and practices of other states, including Ohio and Virginia, to determine how the states are able to maximize title IV-E money while complying with federal regulations.

Sec. 568. (1) From the money appropriated in part 1 for child welfare improvements, the department may allow the private sector to compete for the funds to achieve permanency placement for children in foster care and prioritize funding for children in foster care who have barriers to permanency placement.

(2) The money referred to as appropriated in subsection (1) includes all of the following appropriations:

(a) 138 FTE positions and \$7,313,500.00 in the field staff, salaries, and wages line item for foster care workers focusing on long-term foster care children who have not achieved permanent placements.

(b) 14 FTE positions and \$895,300.00 in the children's services, salaries, and wages line item for child welfare central office positions to administer programs.

(c) 13 FTE positions and \$1,140,800.00 in the training and program support line item for training staff to support child welfare workers and supervisors.

(d) 6.0 FTE positions and \$540,600.00 in the AFC, children's welfare, and day care licensure line item for foster care licensing staff.

(e) \$2,500,000.00 in the foster care payments line item to support contracts with private child placing agencies to license relative caregivers as foster parents.

(f) \$1,049,400.00 in the adoption support services line item to support contracts with private adoption agencies for special needs adoptions.

(3) Beginning December 31, 2007, the department shall submit quarterly reports to the legislature that include all of the following information on the appropriations listed in subsection (1):

(a) The number of positions hired or paid from these appropriations, what their titles and responsibilities will be, what performance objectives and measurable outcomes they are required to satisfy, and what they are being paid in salaries, wages, and fringe benefits. If a community-based provider of adoption services assumes an adoption case that was previously handled by a public agency or worker, the time that the case was handled by the public agency or worker shall not be counted in a performance measure without the consent of the community-based provider.

(b) Information on any contracts for services that have been awarded and the performance objectives and measurable outcomes that are incorporated in the contracts and the successes or failures that are achieved as a result.

(c) Detailed information on any money spent for child welfare improvements and what measurable outcome is expected for the money being spent.

Sec. 570. (1) From the money appropriated in part 1 for the subsidized guardianship program, the department shall provide subsidies under this program to children who are wards of the court under section 2(b) of chapter XIA of the probate code of 1939, 1939 PA 288, MCL 712A.2.

(2) The department shall make money available to children who are receiving services from the department at the time a guardian is appointed for the child, if the court appointing the guardian considers it necessary to continue those services for the success of the guardianship.

(3) The department shall report during the annual budget presentation to the senate and house appropriations subcommittees on the department budget the number of guardianship subsidies and recommendations for any modifications in the subsidized guardianship program.

Sec. 571. The department shall establish a title IV-E compliance and accountability office with the following goals and responsibilities:

(a) Study efforts in other states to determine best practices for title IV-E-related activities and measures to maximize the receipt of federal money for eligible cases.

(b) Coordinate compliance with federal regulations in order to receive title IV-E money.

(c) Provide necessary technical assistance to local units of government, including courts, to ensure proper handling of cases and paperwork in preparation for federal audits and reviews.

(d) Coordinate a program to provide private persons, groups, and corporations with incentives to make tax-deductible contributions intended to assist foster care families to overcome barriers to becoming licensed and eligible to receive title IV-E money.

(e) Prepare quarterly reports to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.

Sec. 573. From the money appropriated in part 1 for adoption support services, \$1,210,900.00 is allocated to support new adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive \$16,000.00 for each finalized placement under the new program.

Sec. 574. (1) From the money appropriated in part 1 for foster care payments – abuse and neglect, \$2,500,000.00 is allocated to support new contracts with private, nonprofit child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure. The private, nonprofit agency facilitating the licensure shall retain the placement and continue to provide case management services if the placement was appropriate to the agency.

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

Sec. 575. (1) Of the funds provided for the training of human services workers, particularly caseworkers, the department shall use appropriated funds to begin cultural sensitivity training and awareness with the goal of effectively reducing the number of minority children inappropriately removed from their homes for neglect and placed in the foster care system when more appropriate action would include the provision of support services to the family.

(2) Of the money appropriated to the department for family preservation and prevention, more specific focus shall be placed on preserving and reunifying families in counties with major urban centers.

(3) As a condition for receiving appropriated money, the department and the office of the friend of the court shall work in cooperation to provide support services to families of custodial parents who have been awarded child support from a parent who is incarcerated.

(4) By March 31 and September 30 of each year, the department shall provide a report to the house and senate appropriations subcommittees with jurisdiction over the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the specific cultural sensitivity training and awareness efforts, family preservation and reunification efforts, and collaborative efforts with the office of the friend of the court that are being undertaken to comply with this section.

Sec. 576. (1) Beginning October 1, 2007, from the funds appropriated in part 1, the department shall reimburse a private child placing agency for an adoption placement or finalization at the following unit rate, as applicable, depending on the category into which the placement falls under subsection (2):

(a) For basic and standard, \$2,750.00 for a placement, \$1,850.00 for a finalization.

(b) For enhanced, \$4,300.00 for a placement, \$2,875.00 for a finalization.

(c) For premium, \$5,725.00 for a placement, \$3,825.00 for a finalization.

(d) For residential, \$6,600.00 for a placement, \$4,400.00 for a finalization.

(e) For I-MARE, \$4,625.00 for a placement, \$3,075.00 for a finalization.

(f) For MARE, \$6,150.00 for a placement, \$4,100.00 for a finalization.

(g) For preplacement, \$1,425.00 for basic or standard, \$2,850.00 for enhanced.

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

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

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

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

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

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

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

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

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

Sec. 577. From the money appropriated in part 1, the department shall allow a community collaborative to use strong families safe children program funds for a prevention program that meets standards agreed upon between the community collaborative and county department offices in accordance with federal regulations regarding expenditure of strong families safe children program funds.

Sec. 579. From the money appropriated in part 1 for youth in transition, \$250,000.00 shall be allotted to Wayne County to support services provided to eligible delinquent state wards, for whom the department is statutorily responsible, to the county's juvenile services system.

Sec. 580. The department and the department of community health shall initiate efforts to identify mental health programs and activities where the services of the 2 departments overlap, or are uncoordinated. The goal shall be to provide adequate and stable mental health services which address the need of the individual child without duplicative, confusing, or needlessly complex services. The department shall report on these coordination efforts with the department of community health during the annual budget presentations to the senate and house appropriations subcommittees with jurisdiction over the department budget.

Sec. 581. From the money appropriated in part 1 for local family support projects, the department shall allocate \$11,500.00 to the Midland County office to be used to continue a counseling and support program for kinship families.

PUBLIC ASSISTANCE

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the

supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County department offices shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2006 and ending September 30, 2007. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. (1) A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed \$4,000.00.

(2) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. (1) From the money appropriated in part 1 for state emergency relief, the maximum allowable reimbursement limit for indigent burials shall be \$1,063.00, which shall be distributed as follows: \$677.00 for funeral directors, \$225.00 for cemeteries or crematoriums, and \$161.00 for the provider of the vault.

(2) The department shall continue to work with funeral directors to establish a regional or statewide pilot program that allows flexibility in payments from the family of the deceased and other resources to provide options for different funeral arrangements and payment. The department may deviate from the payment limits established in subsection (1) and section 611 in making payments under the pilot program. The department shall forward a copy of the pilot program plan to the senate and house of representatives appropriations subcommittees with jurisdiction over the department budget not less than 30 days before it is implemented.

Sec. 614. The funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.
- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.
- (j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.
- (k) A recipient is disqualified for intentional program violation.
- (l) When the department's negative action is upheld in an administrative hearing.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 21 USC 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

- (a) A third-party payee or vendor shall be required for any cash benefits provided.
- (b) An authorized representative shall be required for food assistance receipt.

Sec. 620. The department with the approval of the state budget director is authorized to increase federal spending authority for food assistance program benefits if projected caseload spending will exceed the spending authority in part 1. This authorization adjustment shall be made 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 627. From the funds appropriated in part 1 for the ECIC, the department shall contract for the creation and support of great start communities. Great start collaborative grants will be awarded by competitive bid process to eligible intermediate districts in an amount to be determined by the ECIC. The ECIC shall provide technical assistance to great start communities through intermediate school districts or other community agencies for the implementation of their great start community needs assessment and strategic plan.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

- (a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.
- (b) Referral of persons so identified to counseling and supportive services.
- (c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child day care, the department shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the department may continue to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless shelter contracts, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall fund a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before- or after-school program eligibility is limited to geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with independent contractors to put into practice a program establishing quality before- or after-school programs for children in kindergarten to ninth grades. In order for an independent contractor to receive TANF funds, a child served must be a member of a family with an income that does not exceed 200% of the federal poverty guidelines published by the United States department of health and human services.

(3) The department shall, through a competitive bid process, provide grants or contracts up to \$5,000,100.00 in TANF funds for the program based on community needs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school programs shall include academic assistance, including assistance with reading and writing, and at least 3 of the following topics:

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Preparation toward future self-sufficiency.
- (e) Leadership development.
- (f) Case management or mentoring.
- (g) Parental involvement.
- (h) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 25% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations.

(6) A referral to a program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

(7) By January 30, 2008, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

- (a) Juvenile crime.
- (b) Aggressive behavior.
- (c) Academic achievement.
- (d) Development of new skills and interests.
- (e) School attendance and dropout rates.
- (f) Behavioral changes in school.

Sec. 658. From the funds appropriated in part 1 for day care services, \$126,500.00 in TANF funds shall be allocated to Grand Rapids youth commonwealth to support after-school and summer programs at camp O'Malley. As a condition for receiving funds, Grand Rapids youth commonwealth shall comply with all policies and reporting requirements placed on recipients of before- and after-school grants awarded under section 657.

Sec. 660. From the funds appropriated in part 1 for food bank funding, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 665. The department shall partner with the department of transportation and may partner with other entities to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal earned income tax credit.

Sec. 668. (1) In coordination with the Michigan alliance of boys and girls clubs, the department shall expend \$250,000.00 to make allocations for a statewide collaborative project to develop a community-based program available to children ages 6 to 15.

(2) The department shall make allocations of TANF funds under this section only to agencies that report necessary data to the department for the purpose of meeting the TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment.

(3) The department shall grant priority in funding to programs that provide at least 10% in matching funds. The matching funds requirement shall be fulfilled through any combination of local, state, or federal funds or in-kind or other donations. A program that cannot meet the matching requirement shall not be excluded from applying for a contract.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit cards.

(2) The department shall allocate up to \$7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

Sec. 674. The department shall develop and implement a plan to reduce waste, fraud, and abuse within the child day care program. Beginning December 31, 2007, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on plan details and implementation status.

Sec. 675. The department shall continue to explore policy options and the potential costs of implementing a child day care rate structure that more accurately reflects the market cost of care by vicinity.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership and shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in employment activities and the current percentage of JET pilot program cases involved in employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 1 of each year and shall contain at least the following information:

(a) Expenditures for the prior fiscal year and planned expenditures for the current fiscal year for ECIC administration and for each program administered by the ECIC.

(b) The projected funding sources for the ECIC expenditures in subdivision (a).

(c) A list of all new and ongoing contracts for ECIC programs.

(2) All contracts shall be bid out through a statewide request-for-proposal process, and the department shall send a report to the house and senate appropriations subcommittees on the department budget covering the selection criteria for establishing contracts at least 30 days before the issuance of any request for proposals.

Sec. 681. From the money appropriated in part 1, the department shall expend \$600,000.00 to revise the distribution of food assistance benefits to implement a staggered food assistance payment schedule that spans 19 days in each month. The department shall work in collaboration with grocers, distributors, and merchants on effective education of food assistance recipients to ensure adequate notice of changes in the food assistance benefits distribution. The department shall update the senate and house appropriations subcommittees on the department budget and standing committees for human services on the progress and issues raised by this change in distribution.

Sec. 682. The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy staffs regarding the JET program savings for fiscal year 2006-2007 and the details on the proposed use of that money.

Sec. 683. (1) From the funds appropriated in part 1 for SSI advocacy, \$1,275,000.00 shall be paid to the Michigan state bar foundation for SSI advocacy services provided by the legal services association of Michigan. A payment of \$400.00 shall be made for each case referred to the legal services association of Michigan, with a final payment of \$250.00 on case completion.

(2) The department shall not provide payment to the legal services association of Michigan for assisting a recipient to submit a frivolous appeal or application or for assisting a recipient who has submitted multiple applications that have been denied regarding the same disability, unless the legal services association of Michigan determines that there is a valid reason to pursue an appeal.

Sec. 684. It is the intent of the legislature that, from the money appropriated in part 1 for day care services, the department provide day care payments to day care providers for all eligible hours of day care services delivered on behalf of department clients up to a maximum of 100 hours per 2-week pay period.

Sec. 685. (1) Not later than March 1, 2008, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house appropriations subcommittees with jurisdiction over the department of community health budget, on the number of recipients that applied for Medicaid coverage, the number of recipients that were approved for Medicaid coverage, and the number of recipients that were denied Medicaid coverage. The report shall describe these statistics for fiscal year 2007-2008 and summarize department programs to assist persons in applying for Medicaid.

(2) Not later than March 1, 2008, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house subcommittees with jurisdiction over the department of community health budget, on the number of applicants for home help services. The department shall give a summary report on the number of approved applications, denied applications, pending applications, and the number of applications in which the applicant was eligible for nursing home services.

JUVENILE JUSTICE SERVICES

Sec. 702. Expansion of facilities funded under part 1 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential

programs based on national standards and best practices. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.
- (d) Trends in census and population demographics.
- (e) Staff and resident safety.
- (f) Facility profile.
- (g) Fiscal information necessary for qualitative understanding of program operations and comparative costs of public and private facilities.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

- (a) Actual cost and actual days of care by facility for the most recently completed fiscal year.
- (b) Actual cost per day per youth by facility for the most recently completed fiscal year.
- (c) An analysis of the variance between the estimated cost and days of care assumed in the original appropriation and the figures in subdivisions (a) and (b).
- (d) Both the number of authorized FTE positions for each facility and the number of actual on-board FTE positions for the most recently completed fiscal year.

Sec. 706. Counties shall be subject to 50% charge-back for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. As a condition of receiving money appropriated in part 1 for the child care fund line item, by February 15, 2008, counties shall have an approved service spending plan for the fiscal year ending September 30, 2008. Counties must submit the service spending plan to the department by December 15, 2007 for approval.

Sec. 714. (1) The department shall provide technical assistance for counties to develop information networks including, but not limited to, serious habitual offenders comprehensive action program (SHOCAP), juvenile justice on-line technology (JJOLT), and juvenile violent reporting system (JVRS).

(2) The department shall assist counties in identifying funding sources for the networks, including, but not limited to, the child care fund and the juvenile accountability incentive block grant.

(3) The local units of government shall report to the department on expenditures of their juvenile justice information networks in concert with their requests for reimbursement from the child care fund.

Sec. 715. The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by October 30, 2007 on the status of implementing recommendations of the 2001 joint house and senate task force on juvenile justice, including, but not limited to, the following:

(a) Mentoring programs that focus on improving communication and collaboration, encourage quality mentoring programs, recruitment of mentors, and increasing public awareness of and participation in programs for at-risk youth.

(b) Discussion of programs relating to juvenile information networks as an Internet-based communication tool that assists with case management of juvenile offenders in the area.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 720. (1) The goal of high security juvenile services funded in part 1 shall be to protect the general public from dangerous juvenile offenders while providing rehabilitation services to those offenders to safely prepare them for entry into society.

(2) The department shall take into consideration the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(3) The department shall allocate money to public and private, nonprofit providers of high security juvenile services based on their ability to demonstrate results in all of the following:

- (a) Lower recidivism rates.
- (b) Higher school completion rates or GED completion rates.

- (c) Shorter average stays in a residential facility.
- (d) Lower average actual cost per resident.
- (e) Availability of appropriate services to residents.

(4) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

(5) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same organization or provider that provided residential care for that juvenile.

Sec. 721. (1) The goal of medium or low security juvenile services shall be effective treatment of juvenile offenders to safely prepare them for entry into society.

(2) The department shall allocate money to public and private, nonprofit providers of medium security juvenile services or to private, nonprofit providers of low security juvenile services based on their ability to demonstrate results in all of the following:

- (a) Reduced rates of recidivism.
- (b) Higher rates of high school or GED completion.
- (c) Shorter average stays in a residential facility.
- (d) Availability of appropriate services to residents.
- (e) Lower average actual cost per resident.

(3) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding the placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for residential treatment programs.

(4) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same program or provider that provided treatment for the juvenile in residential care.

(5) The department shall provide for the transfer of medium security services equivalent to 80 beds at the W. J. Maxey boys training school, and shall provide for the placement of juvenile offenders who need those services in community-based or privately operated facilities. The transfer and placements shall be completed by May 1, 2008 if community based or privately operated facilities have capacity for the new placements by that date.

Sec. 722. (1) The goal of juvenile justice day programs shall be the effective treatment and rehabilitation of juvenile offenders in appropriate community settings.

(2) The department shall allocate money to private, nonprofit providers of juvenile justice day programs based on their ability to demonstrate results in all of the following:

- (a) Reduced rates of recidivism.
- (b) Higher rates of high school or GED completion.
- (c) Availability of appropriate services to offenders.
- (d) Lower average actual cost per resident.
- (e) Shorter average stays in a residential facility.

(3) The department shall reimburse community juvenile justice providers at a daily rate of \$80.00 per day per juvenile resident.

Sec. 723. A private nonprofit provider of juvenile services may receive funding for services of different security levels if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level. However, to be eligible for funding, the private nonprofit service provider shall not use a for-profit management group or contract with a for-profit organization for its management.

Sec. 724. (1) Beginning October 1, 2007, direct delinquency services for male and female juveniles who require community or low security services and male juveniles who require medium security services shall be provided under contract with the department by a licensed, nonprofit, nationally accredited child caring institution or child placing agency.

(2) Beginning October 1, 2007, the department shall be responsible for oversight, licensure, and purchase of direct delinquency services for children and youth who require community low or medium security services. The department may also provide direct service and monitoring for children who require high security services.

(3) The contracts with licensed, nonprofit, nationally accredited child caring institutions or child placing agencies shall include specific performance objectives and measurable outcomes.

Sec. 726. (1) Beginning October 1, 2007, from the money appropriated in part 1 for foster care payments, Wayne County foster care payments, and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth unless the for-profit residential provider was licensed on or before August 1, 2007.

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

Sec. 727. (1) The legislature shall determine the cost of care for public juvenile justice facilities by dividing the amount obtained under subdivision (a) by the number of days determined under subdivision (b):

(a) Add the initial appropriation for the facilities to an allocation from the appropriation for juvenile justice field staff, administration, and maintenance, and subtract amounts for applicable federal meal reimbursements.

(b) The projected days of care as determined by the legislature in consultation with the department.

(2) Total per diem and chargeback rates determined under subsection (1) are effective January 1 in the fiscal year of the initial appropriation. By November 1, 2007, the department shall publish the following 2008 per diem and chargeback rates:

(a) High security juvenile services, male: per diem rate of \$625.57; chargeback rate of \$312.79.

(b) High and medium security juvenile services, female: per diem rate of \$588.13; chargeback rate of \$294.07.

(c) Juvenile justice services, northern Michigan: per diem rate of \$328.70; chargeback rate of \$164.35.

Sec. 728. It is the intent of the legislature that the department and the department of corrections examine the potential of entering into an intergovernmental agreement to place 140 children in the west wing of the Woodland center and in the Sequoyah center on the campus of the W.J. Maxey training school. The facilities shall be used to house children currently committed to the department of corrections.

Sec. 731. As a condition for receiving the appropriation in part 1 for the child care fund line items, the department shall not charge any county for expenses related to the payment of an administrative rate to private child placing agencies that oversee neglect and abuse wards if these same administrative costs are not charged in a uniform manner to all counties in this state.

LOCAL OFFICE SERVICES

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations and hospitals.

Sec. 751. (1) From the funds appropriated in part 1, the department shall implement school-based family resource centers based on the following guidelines:

(a) The center is supported by the local school district.

(b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

(c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

(2) The department shall notify the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

(d) The financial implications for expansion, including funding sources.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1, 2007 on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including timelines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 754. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures, provided that the agency trainer and training materials are accredited by the department, and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training.

Sec. 755. From the money appropriated in part 1, \$8,154,100.00 shall be expended to add up to 200 FTE title IV-E eligibility specialist positions. Employees filling these positions shall be assigned to local county offices and shall serve as specialists in determining title IV-E eligibility for child welfare cases with the goal of increasing the number of title IV-E eligible cases statewide. These positions shall be classified as services specialists within the state classified civil service system.

DISABILITY DETERMINATION SERVICES

Sec. 801. The department disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and schoolteachers.

CHILD SUPPORT ENFORCEMENT

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of \$26,500,000.00.

(2) From the federal money received for child support incentive payments, \$12,000,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, \$14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in the code of federal regulations, CFR 45.305.2.

(4) If the child support incentive payment to the state from the federal government is greater than \$26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches \$15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than \$26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

(7) From the state funds appropriated in part 1 for child support enforcement, not less than \$9,570,000.00 shall be used to be paid to counties for use as the local/state match for federal title IV-D services provided by the friend of the court and prosecuting attorney. The money is to be used to offset the net effect of the federal deficit reduction act that prohibits the use of federal performance incentive funds paid to the state as local/state match funds.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from fiscal year 2006-2007 appropriations.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide semiannual reports to the legislature concerning money expended and improvements made as a result of this section.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1, 2005. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

Sec. 905. Of the funds appropriated in part 1 for child support collections, \$500,000.00 shall be allocated to counties for the local match for friend of the court services legal support contracts and to payments to county prosecutors for related legal services.

Sec. 906. From the funds appropriated in part 1 for legal support contracts, \$500,000.00 shall be allocated and paid pursuant to section 18a of the social welfare act, 1939 PA 280, MCL 400.18a.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during fiscal year 2007-2008. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

Sec. 908. From the money appropriated in part 1 for child support enforcement operations, \$500,000.00 shall be expended on a contract aimed at collecting child support arrearages. Cases shall be assigned to a contractor with the goal that at least 15% of collected arrearages be owed to this state on behalf of current or former TANF recipients. The contractor shall be allowed to retain up to 15% of arrearages collected as a fee for services. By September 30, 2008, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the following contract results:

- (a) Number of cases assigned to the contractor.
- (b) Number of cases in which the contractor successfully collected on arrearages.
- (c) Total arrearages collected.
- (d) Total arrearages collected that were owed to this state as reimbursement for public assistance.
- (e) Total amount retained by the contractor.

OFFICE OF CHILDREN AND ADULT LICENSING

Sec. 1005. The department shall implement a performance-based licensing system. The plan shall include an approach that emphasizes site visits for new licensees and licensees with violations or filed complaints and random, but not required, site visits for licensees who have been in business for 5 years or more with no violations or filed complaints. The plan shall direct the licensing staff and field consultants to prioritize resources and site reviews on new licensees and those with documented complaints. The plan activities shall also be based on risk to the vulnerable children and adults receiving services from licensees. The plan shall include an implementation date for fiscal year 2007-2008 and be submitted, by January 31, 2008, to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director.

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Sec. 1101. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 1102. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2007, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 1103. The appropriation in part 1 for the weatherization program shall be expended so that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

- (a) Family independence program assistance.
- (b) State disability assistance.
- (c) Food assistance.
- (d) Supplemental security income.

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

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Bill Hardiman
Roger Kahn
Conferees for the Senate

Dudley Spade
George Cushingberry Jr.
Rick Shaffer
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Tobocman moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 516**Yeas—59**

Acciavatti	Emmons	LaJoy	Pearce
Amos	Espinoza	Law, David	Polidori
Angerer	Garfield	Law, Kathleen	Proos
Ball	Gillard	Lemmons	Rocca
Booher	Gonzales	Lindberg	Schuitmaker
Brandenburg	Green	Marleau	Shaffer
Brown	Griffin	Mayes	Sheltrown
Calley	Hammel	Meadows	Simpson
Casperson	Hammon	Meekhof	Smith, Virgil
Caul	Hansen	Meisner	Spade
Clack	Hildenbrand	Moolenaar	Stahl

Condino	Huizenga	Moss	Walker
Cushingberry	Jones, Rick	Nitz	Wenke
DeRoche	Jones, Robert	Opsommer	Wojno
Dillon	Lahti	Pavlov	

Nays—50

Accavitti	Dean	Knollenberg	Robertson
Agema	Donigan	LeBlanc	Sak
Bauer	Ebli	Leland	Scott
Bennett	Elsenheimer	McDowell	Sheen
Bieda	Farrah	Melton	Smith, Alma
Byrnes	Gaffney	Meltzer	Stakoe
Byrum	Hood	Miller	Steil
Caswell	Hoogendyk	Moore	Tobocman
Cheeks	Hopgood	Nofs	Vagnozzi
Clemente	Horn	Palmer	Valentine
Constan	Hune	Palsrok	Warren
Corriveau	Jackson	Pastor	Young
Coulouris	Johnson		

In The Chair: Sak

Rep. Sheen, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

These budgets were based on income tax, sales tax and increased fees. I could not vote to increase taxes on Michigan’s citizens or job providers at a time when so many have either lost jobs, faced failing businesses and otherwise tightened their belts and made cuts in their own budgets. Why should government be held at a different standard than everyone else in the state?

Holding government harmless is elitist, disingenuous, and wrong. You did not send me to Lansing to preserve government spending to the detriment of its citizens and its job providers. The income tax increase of 12% (from 3.9% to 4.35%) and spreading a 6 % sales tax on many services and business-to-business transactions on top of all the other taxes does not benefit the state’s economy or its citizens in any way. However, it does take more money out of people’s paychecks and increase the cost of living. It drives up the cost of doing business and drives out more employers, increasing unemployment and making Michigan’s problems worse. We might as well put a red flashing light at the state line warning businesses not to come here.”

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Tobocman moved to suspend that portion of Rule 41 requiring bills to be handed to the Clerk three hours prior to calling the House to order.

The motion prevailed, 3/5 of the members present voting therefor.

Reps. Vagnozzi, Byrnes, Constan, Amos, Moss, Cushingberry, Miller, Kathleen Law, Bauer, Johnson, Hammon, Bieda, Condino, Tobocman, Meisner, Clack, Donigan, Scott, Robert Jones, Young, Polidori, Dean, Jackson, Ball, Brown, Caul, Farrah, Gonzales, Hildenbrand, Hopgood, David Law, Leland, Lemmons, Meadows, Moolenaar, Palsrok, Rocca, Sak, Alma Smith, Spade, Stakoe, LeBlanc and Warren offered the following resolution:

House Resolution No. 225.

A resolution commemorating the Grand Opening of the newly renovated Detroit Institute of Arts.

Whereas, The Detroit Institute of Arts (DIA) was founded in 1885 and was originally located on Jefferson Avenue, but due to its rapidly expanding collection it moved to a larger site on Woodward Avenue. The new Beaux-Arts

building, which was created by Paul Cret, has been referred to as the "temple of art." Two wings were added in the 1960s and 1970s and the most recent renovation began in 1999; and

Whereas, The pre-1999 museum covered 600,000 square feet which included more than 100 galleries, an 1150-seat auditorium, a 380-seat lecture/recital hall, an art reference library. The recent expansion added 77,000 square feet; and

Whereas, The DIA's collection is one of the largest and most significant in the U.S. It comprises a multicultural and multinational survey of human creativity from pre-history through the 21st century. The DIA is known for its diversity in their collection. In addition to displaying outstanding American, European, Modern and Contemporary, and Graphic art, the museum holds significant works of African, Asian, Native American, Oceanic, and Island Ancient art; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body commemorates the Grand Opening of the newly renovated Detroit Institute of Arts. We congratulate the DIA Board of Governors upon this esteemed occasion. May they have many more years of providing art and culture to the citizens of the state of Michigan.

Pending the reference of the resolution to a committee,

Rep. Tobocman moved that Rule 71 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been printed and placed upon the files of the members on Tuesday, October 30:

House Bill Nos. 5378 5379 5380 5381 5382 5383 5384

The Clerk announced the enrollment printing and presentation to the Governor on Wednesday, October 31, for her approval of the following bills:

Enrolled House Bill No. 4344 at 1:10 p.m.

Enrolled House Bill No. 4346 at 1:12 p.m.

Enrolled House Bill No. 4348 at 1:14 p.m.

Enrolled House Bill No. 4350 at 1:16 p.m.

Enrolled House Bill No. 4354 at 1:18 p.m.

Enrolled House Bill No. 4358 at 1:20 p.m.

Enrolled House Bill No. 4359 at 1:22 p.m.

Enrolled House Bill No. 4360 at 1:24 p.m.

The Clerk announced that the following bills had been printed and placed upon the files of the members on Wednesday, October 31:

House Bill Nos. 5385 5386 5387 5388 5389 5390 5391 5392 5393 5394 5395 5396

Senate Bill Nos. 862 863

Communications from State Officers

The following communication from the Office of the Chief Compliance Officer was received and read:

October 30, 2007

Attached is the 2006-2007 Annual Report of the Office of the Chief Compliance Officer, which relates to the 21st Century Jobs Fund Programs. This report is submitted pursuant to MCL 125.2088i(6)(i), which requires the Chief Compliance Officer to prepare a written annual report that evaluates compliance with internal policies and procedures and with applicable state and federal law, explains any compliance matters that arose during the previous year, and suggests revisions to agency policies and procedures. While a great deal of activity took place during the year, I am pleased to report that diligent work by all involved ensured that all applicable laws, policies, and procedures were followed, as more completely described in the Annual Report.

John D. Walter
Chief Compliance Officer

The communication was referred to the Clerk.

Introduction of Bills

Rep. Bieda introduced

House Bill No. 5385, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 27a (MCL 211.27a), as amended by 2006 PA 446.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Reps. Gaffney, Hune and Ward introduced

House Bill No. 5386, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 3d (MCL 205.93d), as added by 2007 PA 93.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Reps. Donigan, Brown, Byrum, Simpson, McDowell, Bieda, Vagnozzi, Valentine, Corriveau, Polidori, Leland, Hopgood, Accavitti, Dean, Miller, Alma Smith, Ebli, Lemmons, Wojno, Kathleen Law, Constan, Hammel and Scott introduced

House Bill No. 5387, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 17792.

The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Simpson, Brown, Byrum, McDowell, Bieda, Donigan, Vagnozzi, Valentine, Corriveau, Polidori, Leland, Hopgood, Dean, Miller, Alma Smith, Ebli, Lemmons, Wojno, Kathleen Law, Constan, Jackson, Accavitti, Hammel and Scott introduced

House Bill No. 5388, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 17790.

The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Johnson, Brown, Byrum, Simpson, McDowell, Bieda, Donigan, Vagnozzi, Valentine, Corriveau, Jackson, Polidori, Leland, Hopgood, Accavitti, Young, Dean, Miller, Alma Smith, Ebli, Lemmons, Wojno, Kathleen Law, Constan, Hammel, Scott and Cheeks introduced

House Bill No. 5389, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 17791.

The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Donigan, Brown, Byrum, Simpson, McDowell, Bieda, Vagnozzi, Valentine, Corriveau, Polidori, Leland, Hopgood, Dean, Miller, Alma Smith, Lemmons, Wojno, Kathleen Law, Constan, Accavitti and Hammel introduced

House Bill No. 5390, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding part 96A.

The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Brown, Byrum, Simpson, McDowell, Bieda, Donigan, Vagnozzi, Valentine, Corriveau, Leland, Hopgood, Accavitti, Dean, Miller, Alma Smith, Lemmons, Wojno, Polidori, Kathleen Law, Constan and Hammel introduced

House Bill No. 5391, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding part 96A.

The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Espinoza, Brown, Byrum, Simpson, McDowell, Bieda, Donigan, Vagnozzi, Valentine, Corriveau, Cheeks, Polidori, Leland, Hopgood, Dean, Miller, Alma Smith, Ebli, Lemmons, Wojno, Kathleen Law, Constan, Jackson, Accavitti and Hammel introduced

House Bill No. 5392, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding part 96A.

The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Ebli, Brown, Byrum, Simpson, McDowell, Bieda, Donigan, Vagnozzi, Valentine, Corriveau, Polidori, Leland, Hopgood, Accavitti, Dean, Miller, Alma Smith, Lemmons, Wojno, Kathleen Law, Constan, Jackson and Hammel introduced

House Bill No. 5393, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding part 96A. The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. McDowell, Brown, Byrum, Simpson, Bieda, Donigan, Vagnozzi, Valentine, Corriveau, Polidori, Leland, Hopgood, Dean, Miller, Alma Smith, Ebli, Lemmons, Wojno, Kathleen Law, Constan, Accavitti and Hammel introduced

House Bill No. 5394, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding part 96A. The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Dean, Brown, Byrum, Simpson, McDowell, Bieda, Donigan, Vagnozzi, Valentine, Corriveau, Leland, Hopgood, Accavitti, Miller, Alma Smith, Ebli, Lemmons, Wojno, Polidori, Kathleen Law, Constan, Jackson, Hammel and Scott introduced

House Bill No. 5395, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding part 96A. The bill was read a first time by its title and referred to the Committee on Health Policy.

Reps. Sak, Bieda and Dean introduced

House Bill No. 5396, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by adding section 602b. The bill was read a first time by its title and referred to the Committee on Transportation.

Reps. Sheen, Meekhof, Caul, Miller, Robert Jones, Nitz, Emmons, Acciavatti, Garfield, Meltzer, Shaffer, Proos, Pastor, Robertson, Hansen, Booher, Agema, Stahl, Hoogendyk and Elsenheimer introduced

House Bill No. 5397, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 628 (MCL 257.628), as amended by 2006 PA 85.

The bill was read a first time by its title and referred to the Committee on Transportation.

Reps. Sheen, Rocca, Meekhof, Caul, Miller, LaJoy, Robert Jones, Emmons, Nitz, Acciavatti, Garfield, Meltzer, Shaffer, Proos, Pastor, Robertson, Hansen, Booher, Opsommer, Amos, Agema, Stahl, Hoogendyk and Elsenheimer introduced

House Bill No. 5398, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by adding section 405. The bill was read a first time by its title and referred to the Committee on Judiciary.

Rep. Gillard introduced

House Bill No. 5399, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 3d (MCL 205.93d), as added by 2007 PA 93. The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Gillard introduced

House Bill No. 5400, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending sections 201, 203, 235, 263, 417, and 601 (MCL 208.1201, 208.1203, 208.1235, 208.1263, 208.1417, and 208.1601), section 201 as amended by 2007 PA 90; and to repeal acts and parts of acts.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Gillard introduced

House Bill No. 5401, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 201 (MCL 208.1201), as amended by 2007 PA 90; and to repeal acts and parts of acts.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Condino introduced

House Bill No. 5402, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 203 (MCL 208.1203).

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Gillard introduced

House Bill No. 5403, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 235 (MCL 208.1235).

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Condino introduced

House Bill No. 5404, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 263 (MCL 208.1263).

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Gillard introduced

House Bill No. 5405, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 417 (MCL 208.1417).

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Condino introduced

House Bill No. 5406, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 601 (MCL 208.1601); and to repeal acts and parts of acts.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Gillard introduced

House Bill No. 5407, entitled

A bill to amend 1993 PA 331, entitled "State education tax act," by amending section 3 (MCL 211.903), as amended by 2007 PA 38.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Coulouris introduced

House Bill No. 5408, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending sections 201, 203, 235, 263, 417, and 601 (MCL 208.1201, 208.1203, 208.1235, 208.1263, 208.1417, and 208.1601), section 201 as amended by 2007 PA 90; and to repeal acts and parts of acts.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Young moved that the House adjourn.

The motion prevailed, the time being 3:40 p.m.

The Speaker Pro Tempore declared the House adjourned until Thursday, November 1, at 12:00 Noon.

RICHARD J. BROWN
Clerk of the House of Representatives