

No. 115
STATE OF MICHIGAN
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House of Representatives
94th Legislature
REGULAR SESSION OF 2007

House Chamber, Lansing, Monday, October 29, 2007.

10:00 a.m.

The House was called to order by Associate Speaker Pro Tempore Byrnes.

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—present
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—present	Knollenberg—present		

e/d/s = entered during session

Rep. Fulton Sheen, from the 88th District, offered the following invocation:

Lord I pray a hedge of protection and the surrounding of Your angels around all our soldiers, where ever they are and in every situation that confronts them, and I pray that You would bring them back safe & sound & whole back to their loved ones. I thank You for bringing my daughter back home safely.

My Lord My King, I give You my allegiance first and foremost and as You are Lord & King over all creation.

I call upon You to help this legislative body to govern. For Lord we know that in You-is all the wisdom and all the insight and all the provision necessary to govern well.

Lord we have been called upon and elected by the people of Michigan to represent them, to be their advocate and to be their voice in Lansing and on the floor of this chamber.

Over these last months and weeks it's apparent to all that we have not performed well and for that we ask Your forgiveness and we pray for the ability to perform better.

Lord may our focus be upon substantive policy and what truly would be best for the citizens of Michigan and not political posturing.

Lord we ask that You would bless us indeed, that You put Your hand upon us lead us not into temptation, but deliver us from evil. Please break apart the Lansing mindsets which continue to box us in and prevent us from considering other directions, other possibilities and other options.

Widen our perspectives and give us insight, wisdom, and vision to consider things which may never have been considered and walk paths that may never have been walked.

Lord God I ask: How would You solve the problems before us and what would be Your solution?

Let us not sit here and presume, that we know what You would do, but instead open our eyes, our ears, and our hearts to truly listen to what You have to say.

Please don't let us be a body, that have eyes which cannot see-ears which cannot hear, or a mind that cannot comprehend the things of the spirit and discern what You are saying.

Lord I believe, like many others in this chamber, that You are a God that both hears and answers prayer.

So I stand here today and I call upon You to speak to this legislative body, believer and unbeliever alike, give us the direction and the answers we need to change what needs to be changed, do what needs to be done, to make our state once again a place where people can live, work, and raise a family. Have mercy on us and the people of our state.

In Jesus name-Amen.

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

The Speaker Pro Tempore assumed the Chair.

Reports of Standing Committees

The Speaker laid before the House

House Resolution No. 176.

A resolution to memorialize Congress to repeal Title II of the REAL ID Act of 2005 and to support a return to a negotiated rulemaking process with the states.

(For text of resolution, see House Journal No. 77, p. 1257.)

(The resolution was reported by the Committee on New Economy and Quality of Life on October 25, consideration of which, under the rules, was postponed until October 26.)

The question being on the adoption of the resolution,

The resolution was adopted.

Second Reading of Bills

House Bill No. 4468, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 601b (MCL 257.601b), as amended by 2003 PA 314.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Transportation,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Byrnes moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 4469, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 12e of chapter XVII (MCL 777.12e), as amended by 2004 PA 26.

The bill was read a second time.

Rep. Byrum moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 4635, entitled

A bill to amend 2001 PA 142, entitled "Michigan memorial highway act," (MCL 250.1001 to 250.2080) by adding section 1068.

Was read a second time, and the question being on the adoption of the proposed amendment previously recommended by the Committee on Transportation (for amendment, see House Journal No. 113, p. 1839),

The amendment was adopted, a majority of the members serving voting therefor.

Rep. Simpson moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Hildenbrand moved that Rep. Wenke be excused from the balance of today's session.

The motion prevailed.

By unanimous consent the House returned to the order of

Reports of Select Committees

First Conference Report

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

House Bill No. 4344, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

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 community health 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 COMMUNITY HEALTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	4,761.6	
Average population	1,109.0	
GROSS APPROPRIATION		\$ 12,048,326,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		39,410,200
ADJUSTED GROSS APPROPRIATION		\$ 12,008,915,900
Federal revenues:		
Total federal revenues		6,708,510,700
Special revenue funds:		
Total local revenues		247,237,400
Total private revenues		65,519,800
Merit award trust fund		144,000,000
Total other state restricted revenues		1,718,336,400
State general fund/general purpose		\$ 3,125,311,600

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	226.5	
Director and other unclassified—6.0 FTE positions		\$ 598,600
Departmental administration and management—198.0 FTE positions		23,881,600
Office of long-term care supports and services—18.5 FTE positions		2,713,800
Worker's compensation program		8,825,000
Human resources optimization user charges		285,500
Rent and building occupancy		10,043,300
Developmental disabilities council and projects—10.0 FTE positions		2,772,200
GROSS APPROPRIATION		\$ 49,120,000
Appropriated from:		
Federal revenues:		
Total federal revenues		14,083,900
Special revenue funds:		
Total private revenues		76,000
Total other state restricted revenues		3,500,900
State general fund/general purpose		\$ 31,459,200

Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

ADMINISTRATION AND SPECIAL PROJECTS

Full-time equated classified positions	111.0	
Mental health/substance abuse program administration—110.0 FTE positions		\$ 13,409,500
Consumer involvement program		189,100
Gambling addiction—1.0 FTE positions		3,500,000
Protection and advocacy services support		777,400
Mental health initiatives for older persons		1,291,200
Community residential and support services		2,713,000
Highway safety projects		400,000
Federal and other special projects		3,277,200
Family support subsidy		19,036,000
Housing and support services		9,306,800
Methamphetamine cleanup fund		100,000
GROSS APPROPRIATION		\$ 54,000,200
Appropriated from:		
Federal revenues:		
Total federal revenues		35,077,400

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Special revenue funds:	
Total private revenues	190,000
Total other state restricted revenues	3,500,000
State general fund/general purpose	\$ 15,232,800

Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE

SERVICES PROGRAMS

Full-time equated classified positions	9.5
Medicaid mental health services	\$ 1,717,929,300
Community mental health non-Medicaid services	319,566,100
Medicaid adult benefits waiver	40,000,000
Multicultural services.....	5,763,800
Medicaid substance abuse services.....	36,378,500
Respite services	1,000,000
CMHSP, purchase of state services contracts	136,239,300
Civil service charges	1,499,300
Federal mental health block grant—2.5 FTE positions.....	15,367,900
State disability assistance program substance abuse services	2,509,800
Community substance abuse prevention, education, and treatment programs.....	85,268,000
Children’s waiver home care program.....	19,549,800
Omnibus reconciliation act implementation—7.0 FTE positions	12,367,200
Children with serious emotional disturbance waiver	570,000
GROSS APPROPRIATION.....	\$ 2,394,009,000

Appropriated from:

Interdepartmental grant revenues:

Federal revenues:

Total federal revenues	1,150,311,400
Special revenue funds:	
Total local revenues	26,072,100
Total other state restricted revenues	106,765,500
State general fund/general purpose	\$ 1,110,860,000

Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS

WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Total average population	1,109.0
Full-time equated classified positions	2,957.3
Caro regional mental health center - psychiatric hospital - adult—481.3 FTE positions	\$ 43,466,600
Average population.....	179.0
Kalamazoo psychiatric hospital - adult—466.6 FTE positions	43,120,900
Average population.....	186.0
Walter P. Reuther psychiatric hospital - adult—437.3 FTE positions	43,147,800
Average population.....	236.0
Hawthorn center - psychiatric hospital - children and adolescents—218.0 FTE positions.....	21,497,600
Average population.....	74.0
Mount Pleasant center - developmental disabilities— 472.7 FTE positions	46,936,300
Average population.....	209.0
Center for forensic psychiatry—565.0 FTE positions.....	60,695,900
Average population.....	225.0
Forensic mental health services provided to the department of corrections—	
316.4 FTE positions	38,108,200
Revenue recapture.....	750,000
IDEA, federal special education.....	120,000
Special maintenance and equipment.....	335,300
Purchase of medical services for residents of hospitals and centers	2,045,600
Closed site, transition, and related costs	100
Severance pay	216,900

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Gifts and bequests for patient living and treatment environment	1,000,000
GROSS APPROPRIATION.....	\$ 301,441,200
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of corrections.....	38,108,200
Federal revenues:	
Total federal revenues	39,520,900
Special revenue funds:	
CMHSP, purchase of state services contracts	136,239,300
Other local revenues	17,094,400
Total private revenues	1,000,000
Total other state restricted revenues	11,517,700
State general fund/general purpose	\$ 57,960,700
Sec. 106. PUBLIC HEALTH ADMINISTRATION	
Full-time equated classified positions	89.4
Public health administration—11.0 FTE positions	\$ 1,708,100
Minority health grants and contracts—3.0 FTE positions	1,491,000
Promotion of healthy behaviors	1,000,000
Vital records and health statistics—75.4 FTE positions	9,947,900
GROSS APPROPRIATION.....	\$ 14,147,000
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	745,300
Federal revenues:	
Total federal revenues	5,012,100
Special revenue funds:	
Total private revenues	1,000,000
Total other state restricted revenues	5,988,100
State general fund/general purpose	\$ 1,401,500
Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS	
Full-time equated classified positions	423.6
Health systems administration—194.6 FTE positions	\$ 22,514,800
Emergency medical services program state staff—8.5 FTE positions.....	1,471,900
Radiological health administration—21.4 FTE positions	2,671,600
Emergency medical services grants and services—7.0 FTE positions	488,700
Health professions—142.0 FTE positions	20,950,600
Background check program.....	4,474,400
Health policy, regulation, and professions administration—30.7 FTE positions.....	5,538,300
Nurse scholarship, education, and research program—3.0 FTE positions	988,700
Certificate of need program administration—14.0 FTE positions.....	1,769,300
Rural health services—1.0 FTE positions	1,403,800
Michigan essential health provider.....	1,847,100
Primary care services—1.4 FTE positions.....	2,382,700
GROSS APPROPRIATION.....	\$ 66,501,900
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority	116,300
Federal revenues:	
Total federal revenues	26,742,100
Special revenue funds:	
Total local revenues	227,700
Total private revenues	350,000
Total other state restricted revenues	30,728,400
State general fund/general purpose	\$ 8,337,400

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Sec. 108. INFECTIOUS DISEASE CONTROL

Full-time equated classified positions.....	51.0	
AIDS prevention, testing, and care programs—12.0 FTE positions		\$ 37,463,900
Immunization local agreements.....		13,990,300
Immunization program management and field support—15.0 FTE positions		2,003,500
Pediatric AIDS prevention and control—1.0 FTE positions.....		1,224,800
Sexually transmitted disease control local agreements.....		3,360,700
Sexually transmitted disease control management and field support—23.0 FTE positions.....		3,676,600
GROSS APPROPRIATION.....		\$ 61,719,800

Appropriated from:

Federal revenues:

Total federal revenues		40,885,600
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Special revenue funds:

Total private revenues		7,997,900
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Total other state restricted revenues		8,691,400
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State general fund/general purpose	\$	4,144,900
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Sec. 109. LABORATORY SERVICES

Full-time equated classified positions.....	122.0	
Bovine tuberculosis—2.0 FTE positions		\$ 500,000
Laboratory services—120.0 FTE positions.....		18,359,100
GROSS APPROPRIATION.....		\$ 18,859,100

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from the department of environmental quality.....		440,400
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Federal revenues:

Total federal revenues		2,794,600
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Special revenue funds:

Total other state restricted revenues		7,984,400
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State general fund/general purpose	\$	7,639,700
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Sec. 110. EPIDEMIOLOGY

Full-time equated classified positions.....	134.5	
AIDS surveillance and prevention program.....		\$ 2,254,100
Asthma prevention and control—2.3 FTE positions.....		1,065,000
Bioterrorism preparedness—76.1 FTE positions		50,953,300
Epidemiology administration—41.1 FTE positions		6,632,100
Lead abatement program—7.0 FTE positions		2,177,700
Newborn screening follow-up and treatment services—8.0 FTE positions.....		4,409,500
Tuberculosis control and prevention		867,000
GROSS APPROPRIATION.....		\$ 68,358,700

Appropriated from:

Federal revenues:

Total federal revenues		61,210,800
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Special revenue funds:

Total private revenues		25,000
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Total other state restricted revenues		4,871,200
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State general fund/general purpose	\$	2,251,700
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Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS

Implementation of 1993 PA 133, MCL 333.17015.....	\$	50,000
Local health services.....		220,000
Local public health operations		40,618,400
Medical services cost reimbursement to local health departments.....		4,000,000
GROSS APPROPRIATION.....	\$	44,888,400

Appropriated from:

Federal revenues:

Total federal revenues		4,000,000
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Special revenue funds:

Total local revenues		5,150,000
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Total other state restricted revenues		220,000
State general fund/general purpose	\$	35,518,400
Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
Full-time equated classified positions		70.5
African-American male health initiative	\$	106,700
AIDS and risk reduction clearinghouse and media campaign.....		1,576,000
Alzheimer's information network.....		389,500
Cancer prevention and control program—18.3 FTE positions.....		15,183,500
Chronic disease prevention—10.0 FTE positions.....		4,277,600
Diabetes and kidney program—13.1 FTE positions		3,999,500
Health education, promotion, and research programs—9.3 FTE positions		809,000
Injury control intervention project—1.0 FTE positions		104,500
Michigan Parkinson's foundation.....		50,000
Morris Hood Wayne State University diabetes outreach		400,000
Physical fitness, nutrition, and health		700,000
Public health traffic safety coordination—1.7 FTE positions		356,400
Smoking prevention program—15.1 FTE positions.....		5,720,400
Tobacco tax collection and enforcement		610,000
Violence prevention—2.0 FTE positions.....		1,889,500
GROSS APPROPRIATION.....	\$	36,172,600
Appropriated from:		
Federal revenues:		
Total federal revenues		19,953,400
Special revenue funds:		
Total private revenues		85,000
Total other state restricted revenues		14,981,900
State general fund/general purpose	\$	1,152,300
Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
Full-time equated classified positions		54.4
Childhood lead program—6.8 FTE positions	\$	2,557,500
Dental programs.....		485,400
Dental program for persons with developmental disabilities		151,000
Early childhood collaborative secondary prevention		524,000
Family, maternal, and children's health services administration—41.6 FTE positions		5,090,300
Family planning local agreements.....		9,793,800
Local MCH services.....		7,264,200
Migrant health care		272,200
Pregnancy prevention program.....		5,235,400
Prenatal care outreach and service delivery support.....		3,049,300
School health and education programs		500,000
Special projects—6.0 FTE positions		6,349,700
Sudden infant death syndrome program		321,300
GROSS APPROPRIATION.....	\$	41,594,100
Appropriated from:		
Federal revenues:		
Total federal revenues		28,300,100
Special revenue funds:		
Total other state restricted revenues		8,037,500
State general fund/general purpose	\$	5,256,500
Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM		
Full-time equated classified positions		42.0
Women, infants, and children program administration and special projects— 42.0 FTE positions	\$	8,452,100
Women, infants, and children program local agreements and food costs.....		193,273,600
GROSS APPROPRIATION.....	\$	201,725,700

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Appropriated from:	
Federal revenues:	
Total federal revenues	148,481,800
Special revenue funds:	
Total private revenues	53,243,900
State general fund/general purpose	\$ 0
Sec. 115. CHILDREN’S SPECIAL HEALTH CARE SERVICES	
Full-time equated classified positions	45.0
Children’s special health care services administration—45.0 FTE positions	\$ 4,523,100
Amputee program	184,600
Bequests for care and services	1,514,600
Outreach and advocacy	3,773,500
Nonemergency medical transportation	1,401,100
Medical care and treatment	189,023,400
GROSS APPROPRIATION	\$ 200,420,300
Appropriated from:	
Federal revenues:	
Total federal revenues	99,445,900
Special revenue funds:	
Total private revenues	1,000,000
Total other state restricted revenues	2,295,000
State general fund/general purpose	\$ 97,679,400
Sec. 116. OFFICE OF DRUG CONTROL POLICY	
Full-time equated classified positions	16.0
Drug control policy—16.0 FTE positions	\$ 1,747,000
Anti-drug abuse grants	8,575,000
Interdepartmental grant to judiciary for drug treatment courts	1,800,000
GROSS APPROPRIATION	\$ 12,122,000
Appropriated from:	
Federal revenues:	
Total federal revenues	11,741,400
State general fund/general purpose	\$ 380,600
Sec. 117. CRIME VICTIM SERVICES COMMISSION	
Full-time equated classified positions	10.0
Grants administration services—10.0 FTE positions	\$ 1,277,100
Justice assistance grants	13,000,000
Crime victim rights services grants	11,000,000
Crime victim’s rights fund revenue to Michigan state police	1,027,300
Crime victim’s rights fund revenue to department of human services	1,300,000
GROSS APPROPRIATION	\$ 27,604,400
Appropriated from:	
Federal revenues:	
Total federal revenues	14,998,600
Special revenue funds:	
Total other state restricted revenues	12,605,800
State general fund/general purpose	\$ 0
Sec. 118. OFFICE OF SERVICES TO THE AGING	
Full-time equated classified positions	36.5
Commission (per diem \$50.00)	\$ 10,500
Office of services to aging administration—36.5 FTE positions	5,347,500
Community services	35,204,200
Nutrition services	37,922,500
Foster grandparent volunteer program	2,813,500
Retired and senior volunteer program	790,200
Senior companion volunteer program	2,021,200
Employment assistance	2,818,300

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Respite care program	6,800,000
GROSS APPROPRIATION.....	\$ 93,727,900
Appropriated from:	
Federal revenues:	
Total federal revenues	52,830,000
Special revenue funds:	
Total private revenues	152,000
Merit award trust fund	5,000,000
Total other state restricted revenues	1,967,000
State general fund/general purpose	\$ 33,778,900
Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN	
Michigan first healthcare plan.....	\$ 100,000,000
GROSS APPROPRIATION.....	\$ 100,000,000
Appropriated from:	
Federal revenues:	
Total federal revenues	100,000,000
State general fund/general purpose	\$ 0
Sec. 120. MEDICAL SERVICES ADMINISTRATION	
Full-time equated classified positions.....	362.4
Medical services administration—362.4 FTE positions.....	\$ 68,728,900
Facility inspection contract	132,800
MICHild administration	4,327,800
Health information technology initiatives	5,000,000
GROSS APPROPRIATION.....	\$ 78,189,500
Appropriated from:	
Federal revenues:	
Total federal revenues	53,017,900
Special revenue funds:	
Total local revenues	5,000
Total other state restricted revenues	95,000
State general fund/general purpose	\$ 25,071,600
Sec. 121. MEDICAL SERVICES	
Hospital services and therapy.....	\$ 1,316,434,600
Hospital disproportionate share payments	50,000,000
Physician services	311,159,900
Medicare premium payments	346,510,800
Pharmaceutical services	285,210,900
Home health services	5,600,000
Hospice services	85,258,700
Transportation.....	10,653,200
Auxiliary medical services.....	10,000,000
Dental services.....	117,506,500
Ambulance services	12,656,100
Long-term care services	1,554,146,800
Medicaid home- and community-based services waiver.....	123,800,300
Adult home help services.....	245,762,800
Personal care services	30,716,100
Program of all-inclusive care for the elderly.....	11,200,000
Single point of entry	14,724,200
Health plan services.....	2,762,069,600
MICHild program	38,654,300
Plan first family planning waiver.....	27,109,000
Medicaid adult benefits waiver	129,284,900
County indigent care and third share plans	88,518,500
Federal Medicare pharmaceutical program.....	186,001,600
Promotion of healthy behavior waiver	10,000,000
Maternal and child health.....	20,279,500

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Social services to the physically disabled	1,344,900
Subtotal basic medical services program.....	7,794,603,200
School-based services	83,427,700
Special Medicaid reimbursement	253,816,800
Subtotal special medical services payments	337,244,500
GROSS APPROPRIATION.....	\$ 8,131,847,700
Appropriated from:	
Federal revenues:	
Total federal revenues	4,763,333,500
Special revenue funds:	
Total local revenues	62,448,900
Total private revenues	400,000
Merit award trust fund	139,000,000
Total other state restricted revenues	1,491,484,400
State general fund/general purpose	\$ 1,675,180,900
Sec. 122. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 35,075,500
Michigan Medicaid information system	16,801,100
GROSS APPROPRIATION.....	\$ 51,876,600
Appropriated from:	
Federal revenues:	
Total federal revenues	36,769,300
Special revenue funds:	
Total other state restricted revenues	3,102,200
State general fund/general purpose	\$ 12,005,100

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 \$4,987,648,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$1,290,792,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION
AND SPECIAL PROJECTS

Community residential and support services	\$ 387,300
Housing and support services.....	695,500
Methamphetamine cleanup fund.....	100,000
Mental health initiatives for older persons	1,049,200

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

State disability assistance program substance abuse services	\$ 2,509,800
Community substance abuse prevention, education, and treatment programs.....	37,190,500
Medicaid mental health services	703,484,300
Community mental health non-Medicaid services	319,566,100
Medicaid adult benefits waiver	11,732,000
Multicultural services.....	5,763,800
Medicaid substance abuse services.....	15,242,600
Respite services	1,000,000
Children's waiver home care program.....	5,734,000
Omnibus budget reconciliation act implementation.....	2,950,500

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

Center for forensic psychiatry	\$ 290,300
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PUBLIC HEALTH ADMINISTRATION

Minority health grants and contracts	\$ 100,000
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INFECTIOUS DISEASE CONTROL

AIDS prevention, testing and care programs.....	\$ 742,200
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Immunization local agreements.....	2,132,000
Sexually transmitted disease control local agreements.....	421,800
LABORATORY SERVICES	
Laboratory services.....	\$ 55,400
LOCAL HEALTH ADMINISTRATION AND GRANTS	
Implementation of 1993 PA 133.....	\$ 7,700
Local public health operations.....	35,468,400
CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION	
Cancer prevention and control program.....	\$ 350,000
Diabetes and kidney program.....	345,600
Smoking prevention program.....	1,014,500
FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES	
Childhood lead program.....	\$ 136,500
Dental programs.....	25,000
Family planning local agreements.....	360,000
Local MCH services.....	246,100
Pregnancy prevention program.....	2,300,000
Prenatal care outreach and service delivery support.....	650,100
School health and education programs.....	500,000
Special projects.....	378,900
CHILDREN'S SPECIAL HEALTH CARE SERVICES	
Medical care and treatment.....	\$ 528,800
Outreach and advocacy.....	1,283,200
MEDICAL SERVICES	
Long-term care services.....	\$ 79,760,400
Transportation.....	2,549,300
Medicaid adult benefits waiver.....	9,573,500
Hospital services and therapy.....	4,175,700
Physician services.....	7,879,400
Auxiliary medical services.....	2,061,700
OFFICE OF SERVICES TO THE AGING	
Community services.....	\$ 14,854,300
Nutrition services.....	11,447,300
Foster grandparent volunteer program.....	791,700
Retired and senior volunteer program.....	181,300
Senior companion volunteer program.....	241,400
Respite care program.....	3,427,400
CRIME VICTIM SERVICES COMMISSION	
Crime victim rights services grants.....	\$ 6,800
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT.....	\$ 1,290,792,300

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

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

Sec. 203. As used in this act:

- (a) "AIDS" means acquired immunodeficiency syndrome.
- (b) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (c) "Department" means the Michigan department of community health.
- (d) "DSH" means disproportionate share hospital.
- (e) "EPSDT" means early and periodic screening, diagnosis, and treatment.
- (f) "FTE" means full-time equated.
- (g) "GME" means graduate medical education.
- (h) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.
- (i) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome.
- (j) "HMO" means health maintenance organization.
- (k) "IDEA" means individuals with disabilities education act.
- (l) "IDG" means interdepartmental grant.
- (m) "MCH" means maternal and child health.
- (n) "MIChild" means the program described in section 1670.

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

(p) "PIHP" means a specialty prepaid inpatient health plan for Medicaid mental health services, services to persons with developmental disabilities, and substance abuse services as described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

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

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

(s) "Title XX" means title XX of the social security act, 42 USC 1397 to 1397f.

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

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 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 \$100,000,000.00 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 \$20,000,000.00 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 \$10,000,000.00 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. 208. 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 the 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 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. (1) If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

(2) The department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the balance of each of the restricted funds administered by the department as of September 30, 2008.

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

(a) Maternal and child health block grant	\$	19,953,100
(b) Preventive health and health services block grant		3,670,800
(c) Substance abuse block grant		60,627,400

(d) Healthy Michigan fund.....	41,827,600
(e) Michigan health initiative.....	10,525,600

(2) On or before February 1, 2008, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this act.

(3) Upon the release of the fiscal year 2008-2009 executive budget recommendation, the department shall report to the same parties in subsection (2) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the fiscal year 2008-2009 executive budget proposal.

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

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds and healthy Michigan funds from part 1 shall report by April 1, 2008, to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

(a) Detailed spending plan by appropriation line item including description of programs and a summary of organizations receiving these funds.

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

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

(d) Outcome measures used to evaluate programs, including measures of the effectiveness of these programs in improving the health of Michigan residents.

(e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

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

Sec. 215. (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. 216. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

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

(3) The department shall report by March 15, 2008 to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 218. Basic health services for the purpose of part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are: immunizations, communicable disease control, sexually transmitted disease control, tuberculosis control, prevention of gonorrhea eye infection in newborns, screening newborns for the 8 conditions listed in section 5431(1)(a) through (h) of the public health code, 1978 PA 368, MCL 333.5431, community health annex of the Michigan emergency management plan, and prenatal care.

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes for up to a 3-year period. The department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1, 2007 and May 1, 2008 all of the following:

(a) A detailed description of each funded project.

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

(c) The expected project duration.

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

(2) On or before September 30, 2008, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

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

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

Sec. 248. The department shall allow ambulatory surgery centers in this state to fully participate in the Medicaid program when hospitals are reimbursed for Medicaid services through the new Michigan Medicaid information system. Ambulatory surgery centers that provide services to Medicaid-eligible patients shall be reimbursed in the same manner as hospitals. The reimbursement schedule for ambulatory surgery centers shall be developed and implemented in consultation with the industry and shall be provided to the senate and house appropriations subcommittees on the department of community health and the senate and house fiscal agencies by July 1, 2008.

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

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

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

Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid state plan amendment, or a similar proposal to the centers for Medicare and Medicaid services, the department shall notify the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies of the submission.

(2) The department shall provide written or verbal quarterly reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies summarizing the status of any new or ongoing discussions with the centers for Medicare and Medicaid services or the federal department of health and human services regarding potential or future Medicaid waiver applications.

Sec. 265. 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. 266. (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 of representatives and senate 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 of representatives and senate standing committees on appropriations, 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. 267. 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. 269. The amount appropriated in part 1 for medical services pharmaceutical services includes funds to cover reimbursement of mental health medications under the Medicaid program. Reimbursement procedures for mental health medications shall be the same as those that were followed in fiscal year 2005-2006, and utilization procedures for such medications shall adhere to section 1625, the department's fiscal year 2006-2007 contract with Medicaid health plans, and section 109h of the social welfare act, 1939 PA 280, MCL 400.109h.

Sec. 270. Within 30 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

Sec. 271. (1) A PIHP, Medicaid HMO, and federally qualified health center may establish and implement an early mental health services intervention pilot project. This project shall provide care coordination, disease management, and pharmacy management to eligible recipients suffering from chronic disease, including, but not limited to, diabetes, asthma, substance addiction, or stroke. Participating organizations may make use of data sharing, joint information technology efforts, and financial incentives to health providers and recipients in this project.

(2) The pilot project shall make use of preestablished objectives and outcome measures to determine the cost effectiveness of the project. Data shall also be collected by participating organizations to study and monitor the correlation between early mental health treatment services to program participants and improvement in the management of their chronic disease.

(3) The department shall request any necessary Medicaid state plan amendments or waivers to ensure participation in this project by eligible Medicaid recipients.

(4) A progress report on the pilot project shall be provided to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director no later than May 1, 2008.

Sec. 272. (1) The department shall conduct a study of current policies and allocation methodologies to develop options that encourage administrative efficiencies within and among the following entities:

(a) Local public health departments.

(b) CMHSPs.

(c) Substance abuse coordinating agencies.

(d) Area agencies on aging.

(2) The study should include a range of options including administrative efficiencies, shared services, and consolidations.

(3) The department shall consult with at least the following applicable organizations in developing the study:

(a) The Michigan association of community mental health boards.

(b) The Michigan association of local public health.

(c) The Michigan association of substance abuse coordinating agencies.

(d) The area agencies on aging association of Michigan.

(4) The department may expend up to \$150,000.00 from the funds appropriated in part 1 to conduct the study.

(5) The department shall submit the results of the study to the senate and house appropriations subcommittees on community health, the senate and house committees on health policy, the senate and house fiscal agencies, and the state budget director by August 1, 2008.

Sec. 276. 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. 282. (1) The department, through its organizational units responsible for departmental administration, operation, and finance, shall establish uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by the following entities:

(a) Coordinating agencies on substance abuse, Salvation Army harbor light program, and their subcontractors that receive payment or reimbursement from funds appropriated under section 104 of part 1.

(b) Area agencies on aging and local providers, and their subcontractors that receive payment or reimbursement from funds appropriated under section 118 of part 1.

(2) By May 15, 2008, the department shall provide a written draft of its proposed definitions, standards, and instructions to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

DEPARTMENTWIDE ADMINISTRATION

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

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

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Sec. 350. The department may enter into a contract with the protection and advocacy service, authorized under section 931 of the mental health code, 1974 PA 258, MCL 330.1931, or a similar organization to provide legal services for purposes of gaining and maintaining occupancy in a community living arrangement which is under lease or contract with the department or a community mental health services program to provide services to persons with mental illness or developmental disability.

Sec. 351. (1) From the funds appropriated in part 1 for the methamphetamine cleanup fund, the department shall allow local governments to apply for money to cover their administrative costs associated with the methamphetamine cleanup efforts. The funds allocated to local governments for the administrative costs associated with methamphetamine cleanup efforts shall not exceed \$800.00 per property.

(2) The department shall work with the Michigan association of counties to ensure that counties are aware that the funds appropriated in part 1 for methamphetamine cleanup activities are available.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 401. Funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or PIHPs. The department shall ensure that each CMHSP or PIHP provides all of the following:

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

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

(c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

(d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's or PIHP's program or through assistance with locating and obtaining services to meet these needs.

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

(f) A system of continuous quality improvement.

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

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

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

the department and the CMHSPs or PIHPs entered into under this subsection for fiscal year 2007-2008 does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

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

(a) Any new contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

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

Sec. 403. (1) From the funds appropriated in part 1 for multicultural services, the department shall ensure that CMHSPs or PIHPs meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement.

(2) Funds appropriated in part 1 for multicultural services shall not be utilized for services provided to illegal immigrants. The department shall modify contracts with recipients of multicultural services grants to mandate that grantees establish that recipients of services are legally residing in the United States. An exception to the contractual provision will be allowed to address persons presenting with emergent mental health conditions.

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

(2) The report shall contain information for each CMHSP or PIHP and a statewide summary, each of which shall include at least the following information:

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

(b) Per capita expenditures by client population group.

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

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

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

(i) The number of people receiving requested services.

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

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

(g) An analysis of information provided by community mental health service programs in response to the needs assessment requirements of the mental health code, including information about the number of persons in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during fiscal year 2006-2007 for CMHSPs or PIHPs.

(i) Information about contracts for mental health services entered into by CMHSPs or PIHPs with providers, including, but not limited to, all of the following:

(i) The amount of the contract, organized by type of service provided.

(ii) Payment rates, organized by the type of service provided.

(iii) Administrative costs for services provided to CMHSPs or PIHPs.

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

(i) Expenditures by each CMHSP or PIHP organized by Medicaid eligibility group, including per eligible individual expenditure averages.

(ii) Performance indicator information required to be submitted to the department in the contracts with CMHSPs or PIHPs.

(k) An estimate of the number of direct care workers in local residential settings and paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided by CMHSPs or PIHPs as of September 30, 2007 employed directly or through contracts with provider organizations.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP or PIHP.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs or PIHPs.

Sec. 405. (1) It is the intent of the legislature that the employee wage pass-through funded in previous years, including the 2% wage increase funded in fiscal year 2006-2007, to the community mental health services programs

for direct care workers in local residential settings and for paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided shall continue to be paid to direct care workers.

(2) Each CMHSP or PIHP awarded wage pass-through funds in fiscal year 2006-2007 shall report on the actual expenditures of such funds in the format to be determined by the department.

Sec. 406. (1) The funds appropriated in part 1 for the state disability assistance substance abuse services program shall be used to support per diem room and board payments in substance abuse residential facilities. Eligibility of clients for the state disability assistance substance abuse services program shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance abuse treatment center.

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

Sec. 407. (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies. Coordinating agencies shall work with the CMHSPs or PIHPs to coordinate the care and services provided to individuals with both mental illness and substance abuse diagnoses.

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

Sec. 408. (1) By April 15, 2008, the department shall report the following data from fiscal year 2006-2007 on substance abuse prevention, education, and treatment programs to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

(a) Expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by coordinating agency and by subcontractor shall be reported.

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

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

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

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

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

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

Sec. 411. (1) The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage diversion of persons with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

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

Sec. 412. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance abuse services at not less than the amount contracted for in fiscal year 2006-2007.

Sec. 414. Medicaid substance abuse treatment services shall be managed by selected PIHPs pursuant to the centers for Medicare and Medicaid services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. The selected PIHPs shall receive a capitated payment on a per eligible per month basis to assure provision of medically necessary substance abuse services to all beneficiaries who require those services. The selected PIHPs shall be responsible for the reimbursement of claims for specialized substance abuse services. The PIHPs that are not coordinating agencies may continue to contract with a coordinating agency. Any alternative arrangement must be based on client service needs and have prior approval from the department.

Sec. 418. On or before the tenth of each month, the department shall report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program in that month. The information shall include the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, and number of cases in each eligibility group for each PIHP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

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

(2) The department shall establish a work group composed of representatives of the department, the departments of human services, corrections, education, state police, and military and veterans affairs, coordinating agencies, CMHSPs, and any other persons considered appropriate to examine and review the source and expenditure of all public and private funds made available for substance abuse programs and services. The work group shall develop and recommend cost-effective measures for the expenditure of funds and delivery of substance abuse programs and services. The department shall submit the findings of the work group to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by May 31, 2008.

Sec. 424. Each PIHP that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

(a) A "clean claim" as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days after receipt of the claim by the PIHP. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A PIHP must state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.

(c) A health professional and a health facility have 30 days after receipt of a notice that a claim or a portion of a claim is defective within which to correct the defect. The PIHP shall pay the claim within 30 days after the defect is corrected.

Sec. 425. If House Bill No. 4348 of the 94th Legislature is enacted into law, the department shall provide the consultation to the department of corrections in completing the independent study required in section 302 of that bill.

Sec. 428. Each PIHP shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a PIHP.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1, 2007.

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

(2) The department shall assure that persons enrolled in the Medicaid adult benefits waiver program shall receive mental health services as approved in the state plan amendment.

(3) Capitation payments to CMHSPs for persons who become enrolled in the Medicaid adult benefits waiver program shall be made using the same rate methodology as payments for the current Medicaid beneficiaries.

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

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

Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to the fullest extent possible when providing services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill-building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and other work preparatory services provided in the community or by accredited community-based rehabilitation organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or restrict any choices from the array of services and program settings available to consumers without reasonable justification that those services are not in the consumer's best interest.

(2) CMHSPs and PIHPs shall take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues be placed in the least restrictive setting in the quickest amount of time possible if it is the individual's choice.

Sec. 458. By April 15, 2008, the department shall provide each of the following to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director:

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

(b) A report that evaluates the cost-benefit of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness, modeled after such programming in Oregon or other states. This report shall examine the potential impact that utilization of secure residential facilities would have upon the state's need for adult mental health facilities.

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

Sec. 460. (1) The uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by PIHPs, CMHSPs, and contracted organized provider systems that receive payment or reimbursement from funds appropriated under section 104 of part 1 that were implemented in fiscal year 2006-2007 by the department shall also be implemented for their subcontractors in fiscal year 2007-2008.

(2) The department shall provide the house of representatives and senate appropriations subcommittees on community health, the house of representatives and senate fiscal agencies, and the state budget director with a progress report on the implementation required under subsection (1). The progress report is due on July 1, 2008.

Sec. 462. The department shall implement a funding equity plan for all CMHSPs that receive funds appropriated under the community mental health non-Medicaid services line. The funding plan should reflect a combination of a more equitable distribution methodology based on proxy measures of need and the recognition of varying expenditure needs of CMHSPs. The department shall submit the written equity funding plan to the senate and house subcommittees on community health, the senate and house fiscal agencies, and the state budget director by March 1, 2008.

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

Sec. 464. It is the intent of the legislature that revenue received by the department from liquor license fees be expended at not less than the amount provided in fiscal year 2006-2007, to fund programs for the prevention, rehabilitation, care, and treatment of alcoholics pursuant to sections 543(1) and 1115(2) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543 and 436.2115.

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

Sec. 467. If funds become available, the department shall increase funding paid from the community substance abuse prevention, education, and treatment programs line item to the substance abuse coordinating agencies to the level of funding provided in fiscal year 2002-2003.

Sec. 468. To foster a more efficient administration of and to integrate care in publicly funded mental health and substance abuse services, the department shall recommend changes in its criteria for the incorporation of a city, county, or regional substance abuse coordinating agency into a local community mental health authority that will encourage those city, county, or regional coordinating agencies to incorporate as local community mental health authorities. If necessary, the department may make accommodations or adjustments in formula distribution to address administrative costs related to the recommended changes to the criteria made in accordance with this section and to the incorporation of the additional coordinating agencies into local community mental health authorities provided that all of the following are satisfied:

(a) The department provides funding for the administrative costs incurred by coordinating agencies incorporating into community mental health authorities. The department shall not provide more than \$75,000.00 to any coordinating agency for administrative costs.

(b) The accommodations or adjustments do not favor coordinating agencies who voluntarily elect to integrate with local community mental health authorities.

(c) The accommodations or adjustments do not negatively affect other coordinating agencies.

Sec. 470. (1) For those substance abuse coordinating agencies that have voluntarily incorporated into community mental health authorities and accepted funding from the department for administrative costs incurred pursuant to section 468 of this act, the department shall establish written expectations for those CMHSPs, PIHPs, and substance abuse coordinating agencies and counties with respect to the integration of mental health and substance abuse services. At a minimum, the written expectations shall provide for the integration of those services as follows:

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

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

(c) Alignment of coordinating agencies and PIHPs boundaries to maximize opportunities for collaboration and integration of administrative functions and clinical activities.

(2) By May 1, 2008, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on the impact and effectiveness of this section and the status of the integration of mental health and substance abuse services.

Sec. 474. The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to provide each recipient and his or her family with information regarding the different types of guardianship and the alternatives to guardianship. A CMHSP or PIHP shall not, in any manner, attempt to reduce or restrict the ability of a recipient or his or her family from seeking to obtain any form of legal guardianship without just cause.

Sec. 476. From the funds appropriated in part 1 for community mental health non-Medicaid services, \$100.00 shall be used to fund a regional jail diversion pilot program that is located in a county with a population of more than 1,000,000 but not more than 1,750,000. The regional jail diversion pilot program shall incorporate a system for the identification and diversion of mentally ill and dually-diagnosed individuals from the criminal justice system before the individual's contact with a law enforcement officer results in the individual being detained in a jail or holding cell. The regional jail diversion pilot program shall divert those individuals to a secure environment where those individuals can be stabilized, evaluated, and receive the appropriate mental health treatment.

Sec. 477. From the funds appropriated in part 1 for community substance abuse prevention, education, and treatment programs, \$100.00 shall be used to establish a recovery coaching pilot program to assist individuals who are current or former substance abusers to achieve rehabilitation and long-term recovery.

Sec. 480. The department shall provide to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by March 30, 2008 a report on the number and reimbursement cost of atypical antipsychotic prescriptions by each PIHP for Medicaid beneficiaries.

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

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

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. Revenues collected through project efforts are appropriated to the department for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$1,000,000.00 remaining on September 30, 2008 from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

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

Sec. 604. (1) The CMHSPs or PIHPs shall provide annual reports to the department on the following information:

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

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

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

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

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

Sec. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those persons currently in those facilities and a plan for service provision for those persons who would have been admitted to those facilities.

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

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

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

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

Sec. 607. If Senate Bill No. 369 of the 94th Legislature is enacted into law, the department shall provide all necessary support to state hospitals to ensure that mandated changes in the operation of state hospitals and centers are completed in a timely and efficient manner.

Sec. 608. By May 1, 2008, the department shall evaluate the privatization of food and custodial services at all of the state hospitals and centers and submit a copy of the evaluation to the house and senate appropriations subcommittees on community health and to the house and senate fiscal agencies. The evaluation shall include a detailed cost-benefit analysis utilizing accurate, reliable, and objective data that compares state costs versus the contractual costs over the life of a contract. If the evaluation identifies privatization savings of at least 10%, the department, in consultation with the department of management and budget, shall establish and implement a bid process to identify 1 or more private or public contractors to provide food service and custodial services at each state hospital and center.

PUBLIC HEALTH ADMINISTRATION

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

Sec. 651. By April 30, 2008, the department shall submit a report to the house and senate fiscal agencies and the state budget director on the activities and efforts of the department to improve the health status of the citizens of this state with regard to the goals and objectives stated in the "Healthy Michigan 2010" report, and the measurable progress made toward those goals and objectives.

HEALTH POLICY, REGULATION, AND PROFESSIONS

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

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

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

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

Sec. 708. Nursing facilities shall report in the quarterly staff report to the department, the total patient care hours provided each month, by state licensure and certification classification, and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. The department shall make available to the public, the quarterly staff report compiled for all facilities including the total patient care hours and the percentage of pool staff used, by classification.

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

Sec. 710. From the funds appropriated in part 1 for primary care services, an amount not to exceed \$2,172,700.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers which are similar to federally qualified health centers.

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

Sec. 712. From the funds appropriated in part 1 for primary care services, \$250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, free health clinics are nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 713. The department is directed to continue support of multicultural agencies that provide primary care services from the funds appropriated in part 1.

Sec. 714. The department shall report to the legislature on the timeliness of nursing facility complaint investigations and the number of complaints that are substantiated on an annual basis. The report shall consist of the number of complaints filed by consumers and the number of facility-reported incidents. The department shall make every effort to contact every complainant and the subject of a complaint during an investigation.

Sec. 715. From the funds appropriated in part 1 for primary care services, \$100.00 is appropriated for the department to establish a pilot program in the city of Detroit for a nonurgent medical response service.

Sec. 716. The department shall give priority in investigations of alleged wrongdoing by licensed health care professionals to instances that are alleged to have occurred within 2 years of the initial complaint.

Sec. 717. From the funds appropriated in part 1 for primary care services, \$100.00 shall be allocated for the HealthKey program for the uninsured.

INFECTIOUS DISEASE CONTROL

Sec. 801. In the expenditure of funds appropriated in part 1 for AIDS programs, the department and its subcontractors shall ensure that high-risk individuals ages 9 through 18 shall receive priority for prevention, education, and outreach services.

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

Sec. 803. The department shall continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary. This section is not intended to prohibit the department from providing assistance for improved AIDS treatment medications. If the appropriation in part 1 or actual revenue is not sufficient to maintain the prior year eligibility criteria and drug formulary, the department may revise the eligibility criteria and drug formulary in a manner that is consistent with federal program guidelines.

Sec. 804. The department, in conjunction with efforts to implement the Michigan prisoner reentry initiative, shall cooperate with the department of corrections to share data and information as they relate to prisoners being released who are HIV positive or positive for the Hepatitis C antibody. By April 1, 2008, the department shall report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the progress and results of its work as permitted under federal law and the potential outcomes from its work with the department of corrections under this section.

Sec. 806. If funds become available, up to \$100,000.00 may be allocated for the purchase of childhood recommended vaccines for the underinsured population ages birth through 18 years of age.

EPIDEMIOLOGY

Sec. 851. The department shall provide a report annually to the house of representatives and senate appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the expenditures and activities undertaken by the lead abatement program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

LOCAL HEALTH ADMINISTRATION AND GRANTS

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

Sec. 902. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1, 2007, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 6.25% of the local health department's local public health operations funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

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

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

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in fiscal year 2007-2008 of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1, 2008, the department shall make available a report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the planned allocation of the funds appropriated for local public health operations.

Sec. 905. From the funds appropriated in part 1 for local public health operations, \$5,150,000.00 shall be used to continue funding hearing and vision screening services through local public health departments.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 1031. (1) From the funds appropriated in part 1 for the injury control intervention project, \$100.00 shall be used to establish an incentive-based pilot program for level I and level II trauma hospitals to ensure greater state utilization of an interactive, evidence-based treatment guideline model for traumatic brain injury.

(2) This pilot program shall be placed in a county with a population between 175,000 and 200,000.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

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

Sec. 1104. (1) Before April 1, 2008, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Actual number of women, children, and/or adolescents served and amounts expended for each group for the fiscal year 2006-2007.

(c) Beginning with the report due in fiscal year 2008-2009, a breakdown of the expenditure of these funds between urban and rural communities. The department shall begin collecting the data necessary to provide this breakdown in fiscal year 2007-2008.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) For the purposes of this section, "rural" means a county, city, village, or township with a population of not more than 30,000, including those entities if located within a metropolitan statistical area.

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

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

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

Sec. 1108. The funds appropriated in part 1 for pregnancy prevention programs shall not be used to provide abortion counseling, referrals, or services.

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

(2) Not later than December 1 of the current fiscal year, the department shall make available upon request a report to the senate or house of representatives appropriations subcommittee on community health or the senate or house of representatives standing committee on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures through September 30, 2007.

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

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

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

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

Sec. 1132. From the funds appropriated in part 1 for special projects, \$400,000.00 shall be allocated to the nurse family partnership program.

Sec. 1133. The department shall release infant mortality rate data to all local public health departments 72 hours or more before releasing infant mortality rate data to the public.

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

- (a) The department of education.
- (b) The department of community health.
- (c) The health administration in the department of community health.
- (d) The bureau of mental health and substance abuse services in the department of community health.
- (e) The department of human services.
- (f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

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

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

Sec. 1153. The department shall ensure that individuals residing in rural communities have sufficient access to the services offered through the WIC program.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

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

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

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.
- (c) Provide genetic diagnostic and counseling services for eligible families.
- (d) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

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

OFFICE OF DRUG CONTROL POLICY

Sec. 1250. The department shall provide \$1,800,000.00 in Byrne formula grant program funding to the judiciary by interdepartmental grant.

CRIME VICTIM SERVICES COMMISSION

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

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

OFFICE OF SERVICES TO THE AGING

Sec. 1401. The appropriation in part 1 to the office of services to the aging, for community and nutrition services and home services, shall be restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under title XVIII, XIX, or XX.

Sec. 1403. (1) The office of services to the aging shall require each region to report to the office of services to the aging home delivered meals waiting lists based upon standard criteria. Determining criteria shall include all of the following:

- (a) The recipient's degree of frailty.
 - (b) The recipient's inability to prepare his or her own meals safely.
 - (c) Whether the recipient has another care provider available.
 - (d) Any other qualifications normally necessary for the recipient to receive home delivered meals.
- (2) Data required in subsection (1) shall be recorded only for individuals who have applied for participation in the home delivered meals program and who are initially determined as likely to be eligible for home delivered meals.

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

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

Sec. 1413. The legislature affirms the commitment to locally-based services. The legislature supports the role of local county board of commissioners in the approval of area agency on aging plans. Local counties may request to change membership in the area agencies on aging if the change is to an area agency on aging that is contiguous to that county pursuant to office of services to the aging policies and procedures for area agency on aging designation. The department shall adjust allocations to area agencies on aging to account for any changes in county membership. The department shall ensure annually that county boards of commissioners are aware that county membership in area agencies on aging can be changed subject to office of services to the aging policies and procedures for area agency on aging designation. The legislature supports the office of services to the aging working with others to provide training to commissioners to better understand and advocate for aging issues. It is the intent of the legislature to prohibit area

agencies on aging from providing direct services, other than access services, unless the agencies receive a waiver from the commission on services to the aging. The legislature's intent in this section is conditioned on compliance with federal and state laws, rules, and policies.

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

Sec. 1417. The department shall provide to the senate and house of representatives appropriations subcommittees on community health, senate and house fiscal agencies, and state budget director a report by March 30, 2008 that contains all of the following:

(a) The total allocation of state resources made to each area agency on aging by individual program and administration.

(b) Detail expenditure by each area agency on aging by individual program and administration including both state funded resources and locally funded resources.

MICHIGAN FIRST HEALTHCARE PLAN

Sec. 1501. (1) Funds appropriated in part 1 for the Michigan first healthcare plan are contingent upon approval of a waiver from the federal government.

(2) In addition to the funds appropriated in part 1 for the Michigan first healthcare plan, up to \$300,000,000.00 in federal funds shall be appropriated upon approval of a waiver from the federal government.

Sec. 1502. Upon approval of a waiver from the federal government for the Michigan first healthcare plan, the department shall provide the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director with a report detailing the process that will be utilized to determine which insurance entities will be selected for participation in the Michigan first healthcare plan. The department shall not award a single-source contract to a health plan through the Michigan first healthcare plan.

Sec. 1503. The department shall provide a copy of the federally approved Michigan first healthcare plan or similar proposal to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director at least 60 days before implementing any portion of the Michigan first healthcare plan or other similar proposal.

MEDICAL SERVICES

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

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

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

(2) The department may receive and expend premiums for the buy-in of medical coverage in addition to the amounts appropriated in part 1.

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

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

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

(2) The department shall notify the senate and house of representatives appropriations subcommittees on community health and the state budget director of any proposed revisions to the protected income level for Medicaid coverage related to the public assistance standard 90 days prior to implementation.

Sec. 1606. For the purpose of guardian and conservator charges, the department of community health may deduct up to \$60.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

Sec. 1607. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The

applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

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

(3) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

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

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

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

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services copayment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

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

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

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

(3) It is the intent of the legislature that if the department realizes savings as a result of the implementation of average manufacturer's price for reimbursement of multiple source generic medication dispensing as imposed pursuant to the federal deficit reduction act of 2005, Public Law 109-171, the savings shall be returned to pharmacies in the form of an increased dispensing fee for medications not to exceed \$2.00. The savings shall be calculated as the difference in state expenditure between the current methodology of payment, which is maximum allowable cost, and the proposed new reimbursement method of average manufacturer's price.

Sec. 1621. The department may implement prospective drug utilization review and disease management systems. The prospective drug utilization review and disease management systems authorized by this section shall have physician oversight, shall focus on patient, physician, and pharmacist education, and shall be developed in consultation with the national pharmaceutical council, Michigan state medical society, Michigan association of osteopathic physicians, Michigan pharmacists association, Michigan health and hospital association, and Michigan nurses' association.

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

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

(3) The notice in subsection (2) shall also clarify that a pharmacy shall fill a prescription written for maintenance drugs in the quantity specified by the physician, but not more than the maximum allowed under Medicaid, unless subsequent consultation with the prescribing physician indicates otherwise.

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

Sec. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to

participants in the MICHild program, maternal outpatient medical services program, children's special health care services, and adult benefit waiver program.

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

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

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

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

Sec. 1631. (1) The department shall require copayments on dental, podiatric, chiropractic, vision, and hearing aid services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

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

- (a) Two dollars for a physician office visit.
- (b) Three dollars for a hospital emergency room visit.
- (c) Fifty dollars for the first day of an inpatient hospital stay.
- (d) One dollar for an outpatient hospital visit.

Sec. 1633. From the funds appropriated in part 1 for dental services, the department shall allocate \$2,625,300.00 to expand the healthy kids dental program to Genesee County and Saginaw County.

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

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

Sec. 1636. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes implemented in fiscal year 2006-2007. The increased reimbursement rates in this section shall not exceed the comparable Medicare payment rate for the same services.

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

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

- (a) That the recipient shall not smoke.
- (b) That the recipient shall attend all scheduled medical appointments.
- (c) That the recipient shall exercise regularly.
- (d) That if the recipient has children, those children shall be up to date on their immunizations.
- (e) That the recipient shall abstain from abusing controlled substances and narcotics.

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

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

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

Sec. 1648. The department shall maintain an automated toll-free telephone line and make available an online resource to enable medical providers to obtain enrollment and benefit information of Medicaid recipients. There shall be no charge to providers for the use of the toll-free telephone line or online resource.

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

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

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

(3) The criteria for medical exceptions to HMO enrollment shall be based on submitted documentation that indicates a recipient has a serious medical condition, and is undergoing active treatment for that condition with a physician who does not participate in 1 of the HMOs. If the person meets the criteria established by this subsection, the department shall grant an exception to mandatory enrollment at least through the current prescribed course of treatment, subject to periodic review of continued eligibility.

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

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

Sec. 1652. If the department implements changes in the Medicaid health plan contract to permit contracted HMOs to request service area expansions, it shall ensure that any Medicaid health plan that expands its service area agrees to the following:

(a) The Medicaid HMO shall not sell, transfer, or otherwise convey to any person all or any portion of the HMO's assets or business, whether in the form of equity, debt or otherwise, for a period of 3 years from the date the Medicaid HMO commences operations in a new service area.

(b) That any Medicaid HMOs that expand into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has 1 or fewer HMOs participating in the Medicaid program.

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

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

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

(c) Mandatory enrollment of Medicaid beneficiaries living in counties defined as rural by the federal government, which is any nonurban standard metropolitan statistical area, is allowed if there is only 1 HMO serving the Medicaid population, as long as each Medicaid beneficiary is assured of having a choice of at least 2 physicians by the HMO.

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

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

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

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

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

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

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

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

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

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

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

(5) The department shall provide a report by September 30, 2008 to the senate and house appropriations subcommittees on community health and senate and house fiscal agencies examining how payment policies in the current Medicaid program create financial incentives for health facilities to admit recipients from the emergency room.

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

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

Sec. 1659. The following sections of this act are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, MIChoice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 401, 402, 404, 411, 414, 418, 424, 428, 456, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1666, 1699, 1711, 1749, and 1752.

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

(2) The primary responsibility of assuring a child's hearing and vision screening is with the child's primary care provider. The primary care provider shall provide age-appropriate screening or arrange for these tests through referrals to local health departments. Local health departments shall provide preschool hearing and vision screening services and accept referrals for these tests from physicians or from Head Start programs in order to assure all preschool children have appropriate access to hearing and vision screening. Local health departments shall be reimbursed for the cost of providing these tests for Medicaid eligible children by the Medicaid program.

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

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

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

Sec. 1661. (1) The department shall assure that all Medicaid eligible children and pregnant women have timely access to MSS/ISS services. Medicaid HMOs shall assure that maternal support service screening is available to their pregnant members and that those women found to meet the maternal support service high-risk criteria are offered maternal support services. Local health departments shall assure that maternal support service screening is available for Medicaid pregnant women not enrolled in an HMO and that those women found to meet the maternal support service high-risk criteria are offered maternal support services or are referred to a certified maternal support service provider.

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

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

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

(2) The department shall provide a copy of the analysis of the Medicaid HMO annual audited health employer data and information set reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

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

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

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

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

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

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

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

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

(a) "Dental care corporation", "health care corporation", "insurer", and "prudent purchaser agreement" mean those terms as defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

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

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

(7) The department may make payments on behalf of children enrolled in the MICHild program from the line-item appropriation associated with the program as described in the MICHild state plan approved by the United States department of health and human services, or from other medical services.

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

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

Sec. 1677. The MICHild program shall provide all benefits available under the state employee insurance plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

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

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

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

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

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

(f) Care management services for mental health diagnoses.

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

(h) Emergency ambulance services.

Sec. 1680. Payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program shall be continued.

Sec. 1681. From the funds appropriated in part 1 for home- and community-based services, the department and local waiver agents shall encourage the use of family members, friends, and neighbors of home- and community-based services participants, where appropriate, to provide homemaker services, meal preparation, transportation, chore services, and

other nonmedical covered services to participants in the Medicaid home- and community-based services program. This section shall not be construed as allowing for the payment of family members, friends, or neighbors for these services unless explicitly provided for in federal or state law.

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

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

(3) The department is authorized to provide civil monetary penalty funds to the disability network of Michigan to be distributed to the 15 centers for independent living for the purpose of assisting individuals with disabilities who reside in nursing homes to return to their own homes.

(4) The department is authorized to use civil monetary penalty funds to conduct a survey evaluating consumer satisfaction and the quality of care at nursing homes. Factors can include, but are not limited to, the level of satisfaction of nursing home residents, their families, and employees. The department may use an independent contractor to conduct the survey.

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

Sec. 1683. The department shall promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals. Priority shall be given to programs, such as hospice, that focus on individual dignity and quality of care provided persons with terminal illness and programs serving persons with chronic illnesses that reduce the rate of suicide through the advancement of the knowledge and use of improved, appropriate pain management for these persons; and initiatives that train health care practitioners and faculty in managing pain, providing palliative care, and suicide prevention.

Sec. 1684. (1) Of the funds appropriated in part 1 for the Medicaid home- and community-based services waiver program, the payment rate allocated for administrative expenses for fiscal year 2007-2008 shall continue at the rate implemented in fiscal year 2005-2006 after the \$2.00 per person per day mandated reduction.

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

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

Sec. 1686. (1) The department shall submit a report by April 30, 2008 to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies on the progress of 4 Medicaid long-term care single point of entry services pilot projects. The department shall also submit a final plan to the house of representatives and senate subcommittees on community health and the house and senate fiscal agencies 60 days prior to any expansion of the program.

(2) In addition to the report required under subsection (1), the department shall report all of the following to the house of representatives and senate appropriations subcommittees on community health and the house of representatives and senate fiscal agencies by September 30, 2008:

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

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

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

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

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

(3) It is the intent of the legislature that funding for the single point of entry for long-term care ends on September 30, 2009.

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

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

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

assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program.

(2) Within 30 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for the home- and community-based services waiver program by regions as well as the associated expenditures. The report shall include information regarding the net cost savings from moving individuals from a nursing home to the home- and community-based services waiver program, the number of individuals transitioned from nursing homes to the home- and community-based services waiver program, the number of individuals on waiting lists by region for the program, and the amount of funds transferred during the fiscal quarter. The report shall also include the number of Medicaid individuals served and the number of days of care for the home- and community-based services waiver program and in nursing homes.

(3) The department shall develop a system to collect and analyze information regarding individuals on the home- and community-based services waiver waiting list to identify the community supports they receive, including, but not limited to, adult home help, food stamps, and housing assistance services and to determine the extent to which these community supports help individuals remain in their home and avoid entry into a nursing home. The department shall provide a progress report on implementation to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1, 2008.

Sec. 1691. The funding increase provided in fiscal year 2006-2007 for the adult home help program shall be passed through to adult home help workers subject to the following conditions:

(a) Adult home help workers providing care under the adult home help program shall receive a wage of at least \$7.50 per hour in all counties, effective April 1, 2008.

(b) The department, in conjunction with the department of human services, shall revise any policies, rules, procedures, or regulations that may be an administrative barrier to the implementation of the wage adjustments described in this section.

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

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

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

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

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

Sec. 1693. The special Medicaid reimbursement appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

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

Sec. 1695. (1) The department shall evaluate the impact of implementing a case mix reimbursement system for nursing facilities. The department shall consult with representatives from the department, the health care association of Michigan, the Michigan county medical care facilities council, and the Michigan association of homes and services for the aging.

(2) The department shall provide a progress report to the senate and house appropriations subcommittees on community health and to the senate and house fiscal agencies by August 1, 2008.

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

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

Sec. 1699. The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients in the amount of \$50,000,000.00, and to hospitals providing graduate medical education training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals will not include GME costs or DSH payments in their contracts with HMOs.

Sec. 1710. Any proposed changes by the department to the MIChoice home and community-based services waiver program screening process shall be provided to the members of the house and senate appropriations subcommittees on community health 30 days prior to implementation of the proposed changes.

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

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

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

(2) To ensure that total expenditures stay within the spending constraints of subsection (1)(b), the department shall develop a utilization adjustor for the basic 2-tier payment methodology. The adjustor shall be based on a good faith estimate by the department as to what the expected utilization of emergency room services will be during fiscal year 2007-2008, given changes in the number and category of Medicaid recipients. If expenditure and utilization data indicate that the amount and/or type of emergency physician professional services are exceeding the department's estimate, the utilization adjustor shall be applied to the 2-tier reimbursement methodology in such a manner as to reduce aggregate expenditures to the fiscal year 2001-2002 adjusted expenditure target.

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

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

Sec. 1716. The department shall seek to maintain a constant enrollment level within the Medicaid adult benefits waiver program throughout fiscal year 2007-2008.

Sec. 1717. (1) The department shall create 2 pools for distribution of disproportionate share hospital funding. The first pool, totaling \$45,000,000.00, shall be distributed using the distribution methodology used in fiscal year 2003-2004. The second pool, totaling \$5,000,000.00, shall be distributed to nonpublic unaffiliated hospitals and hospital systems that received less than \$900,000.00 in disproportionate share hospital payments in fiscal year 2003-2004 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization, except that no payment of less than \$1,000.00 shall be made.

(2) By September 30, 2008, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

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

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

Sec. 1721. The department shall conduct a review of Medicaid eligibility pertaining to funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual who becomes Medicaid eligible and shall report its findings to the members of the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies not later than May 15, 2008. Included in its report shall be recommendations for policy and procedure changes regarding whether any funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual, after the date of Medicaid eligibility and patient pay amount determination, shall be considered as a countable asset and recommendations for a mechanism for departmental monitoring of those funds.

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

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

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

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

Sec. 1728. The department shall make available to qualifying Medicaid recipients, not based on Medicare guidelines, freestanding electrical lifting and transferring devices.

Sec. 1731. (1) Subject to subsection (2), the department shall continue an asset test to determine Medicaid eligibility for individuals who are parents, caretaker relatives, or individuals between the ages of 18 and 21 and who are not required to be covered under federal Medicaid requirements.

(2) Pending federal approval, regardless of the results of the asset test established under subsection (1), an individual who is between the ages of 18 and 21 and is not required to be covered under the federal Medicaid requirements is not eligible for the state Medicaid program if his or her parent, parents, or legal guardian has health care coverage for him or her or has access to health care coverage for him or her.

Sec. 1732. The department shall assure that, if proposed modifications to the quality assurance assessment program for nursing homes are not implemented, the projected general fund/general purpose savings shall not be achieved through reductions in nursing home reimbursement rates.

Sec. 1733. The department shall seek additional federal funds to permit the state to provide financial support for electronic prescribing and other health information technology initiatives.

Sec. 1734. The department shall seek federal funds that will permit the state to provide financial incentives for positive health behavior practiced by Medicaid recipients. The structure of this incentive program may be similar to programs in other states that authorize monetary rewards to be deposited in individual accounts for Medicaid recipients who demonstrate positive changes in health behavior.

Sec. 1735. (1) The department shall establish a committee that will attempt to identify possible Medicaid program savings associated with the creation of a preferred provider program or an alternative program for durable medical equipment.

(2) To assure quality and access, the preferred provider program shall involve providers who can offer a broad statewide network of services and who are accredited by the joint commission on accreditation of health care organizations or the accreditation commission for health care, inc.

(3) This committee shall include, at minimum, representatives from each of the contracted Medicaid HMOs, the medical services administration, the Michigan state medical society, the Michigan osteopathic society, the Michigan home health association, the Michigan health and hospital association, and 2 accredited providers.

(4) By October 1, 2007, the department shall report to the senate and house of representatives subcommittees on community health and the state budget director on possible durable medical equipment contracting opportunities and anticipated Medicaid program savings.

(5) The department shall provide a copy of any proposed Medicaid policy changes for durable medical equipment to the house of representatives and senate subcommittees on community health, the senate and house fiscal agencies, and the state budget director at least 30 days prior to implementation.

Sec. 1739. The department shall continue to establish medical outcome targets for the 10 most prevalent and costly ailments affecting Medicaid recipients. The department may use indicators that recipients are successfully managing chronic disease, measures of recipient compliance with treatment plans, and studies of the proportion of Medicaid providers who follow established best practices in treating chronic disease as possible medical outcome target measures. The department shall make bonus payments, independent of HMO rate adjustments utilized in fiscal year 2005-2006, available to Medicaid HMOs that meet these outcome targets.

Sec. 1740. From the funds appropriated in part 1 for health plan services, the department shall assure that all GME funds are promptly distributed to qualifying hospitals using a methodology developed in consultation with the graduate medical education advisory group. The advisory group shall include representatives of the Michigan health and hospital association and Michigan association of health plans.

Sec. 1741. The department shall continue to provide nursing homes the opportunity to receive interim payments upon their request. The department shall make efforts to ensure that the interim payments are as similar to expected cost-settled payments as possible.

Sec. 1742. The department shall allow the retention of \$1,000,000.00 in special Medicaid reimbursement funding by any public hospital that meets each of the following criteria:

- (a) The hospital participates in the intergovernmental transfers.
- (b) The hospital is not affiliated with a university.
- (c) The hospital provides surgical services.
- (d) The hospital has at least 10,000 Medicaid bed days.

Sec. 1747. In order to be reimbursed for adult home help services provided to Medicaid recipients, the matching of adult home help providers with service recipients shall be coordinated by the local county department of human services.

Sec. 1749. Effective September 30, 2007, the department shall require all Medicaid health plans to use the same standard billing formats.

Sec. 1752. The department shall provide a Medicaid health plan with any information that may assist the Medicaid health plan in determining whether another party may be responsible, in whole or in part, for the payment of health benefits.

Sec. 1756. The department shall establish and implement a specialized case and care management program to serve the most costly Medicaid beneficiaries who are not enrolled in a health plan and are noncompliant with medical management, including persons with chronic diseases and mental health diagnoses, high prescription drug utilizers, members demonstrating noncompliance with previous medical management, and neonates. The case and care management program shall, at a minimum, provide a performance payment incentive for physicians who manage the recipient's care and health costs in the most effective way. The department may also develop additional contractual arrangements with 1 or more Medicaid HMOs for the provision of specialized case management services. Contracts with Medicaid HMOs may include provisions requiring collection of data related to Medicaid recipient compliance. Measures of patient compliance may include the proportion of clients who fill their prescriptions, the rate of clients who do not show for scheduled medical appointments, and the proportion of clients who use their medication.

Sec. 1757. The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country before approving Medicaid eligibility.

Sec. 1758. The department shall submit a report on the number of individuals who receive the emergency services only Medicaid benefit and the annual amount of Medicaid expenditures for this population to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies by April 1, 2008.

Sec. 1759. The department shall implement the following policy changes included in the federal deficit reduction act of 2005, Public Law 109-171:

- (a) Lengthening the look back policy for asset transfers from 3 to 5 years.
- (b) Changing the penalty period to begin the day an individual applies for Medicaid.
- (c) Individuals with more than \$500,000.00 in home equity do not qualify for Medicaid.
- (d) Utilize the Medicaid false claim act, 1977 PA 72, MCL 400.601 to 400.613, to collect an enhanced state share of damages collected from entities that have been successfully prosecuted for filing a fraudulent Medicaid claim.

Sec. 1761. (1) The department shall distribute all funds recovered by the medical services administration from prior and future Medicaid access to care initiative payments exceeding the hospital upper payment limit for inpatient and outpatient services to a hospital that meets any of the following characteristics:

(a) Is located in a rural county as determined by the most recent United States census or is located in a city or a village or township with a population of not more than 12,000 in a county with a population with not more than 70,000 as of the official federal 2000 decennial census.

(b) Is a Medicare sole community hospital.

(c) Is a Medicare dependent hospital and rural referral center hospital.

(2) The distribution under subsection (1) shall be based upon each hospital's Medicaid fee-for-service and HMO payments as developed in consultation with rural hospitals and the Michigan health and hospital association.

Sec. 1763. From the funds appropriated in part 1 for health plan services, Medicaid health plans in southeast Michigan shall participate in a risk adverse, budget-neutral 10-month production pilot with a Michigan-based service provider when an interoperable hub that provides secure aggregation and access to medication history data through the use of an existing, outsourced health information exchange infrastructure has been developed. The infrastructure will provide cross domain single sign-on allowing for realtime, data aggregation across disparate organizations and systems. The pilot project shall include a methodology to identify and measure savings generated by the pilot project. Medicaid health plan payments for the project shall not exceed the savings achieved.

Sec. 1764. The department shall annually certify rates paid to Medicaid health plans as being actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval immediately to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies.

Sec. 1767. The department shall study and evaluate the impact of the change in the way in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price as required by the federal deficit reduction act of 2005, Public Law 109-171. By March 1, 2008, the department shall submit a report of its study to the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies. If the department finds that there is a negative impact on the pharmacists, the department shall reexamine the current pharmaceutical dispensing fee structure established under section 1620 and include in the report recommendations and proposals to counter the negative impact of that federal legislation.

Sec. 1770. In conjunction with the consultation requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and except as otherwise provided in this section, the department shall attempt to make the effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual on October 1, January 1, April 1, or July 1 after the end of the consultation period. The department may provide an effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual other than provided for in this section if necessary to be in compliance with federal or state law, regulations, or rules or with an executive order of the governor.

Sec. 1772. From the funds appropriated in part 1, the department shall establish a program on or before July 1, 2008, the primary goal of which is to enroll all children in foster care in Michigan in a Medicaid health maintenance organization.

Sec. 1773. The department shall establish and implement a bid process to identify a single private contractor to provide Medicaid covered nonemergency transportation services in each county with a population over 750,000 individuals.

Sec. 1774. The department shall provide the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by March 1, 2008 a report that details all of the following:

- (a) Expenditure of money follows the person funds to date.
- (b) Estimated general fund savings generated through use of money follows the person.
- (c) Total number of individuals receiving services through the money follows the person grant.

Sec. 1775. (1) The department shall study the feasibility of using managed care to deliver Medicaid long-term care services. The study shall focus upon the following:

- (a) If there is a sufficient number of organizations interested in providing these services.
- (b) The extent of services provided through Medicaid managed long-term care.
- (c) Estimated changes in Medicaid long-term care expenditure associated with implementing managed care for these services.

(2) The department shall report the results of this study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1, 2008.

Sec. 1776. If the department continues to utilize the Medicare outpatient prospective payment system methodology to reimburse hospitals for Medicaid clients seen in the outpatient setting including the emergency room, then the Medicaid reduction factor utilized by the department to compute the amount of payment made by Medicaid health plans to hospitals must be revenue neutral and actuarially sound.

Sec. 1777. From the funds appropriated in part 1 for long-term care services, the department shall permit, in accordance with applicable federal and state law, nursing homes to use dining assistants to feed eligible residents if legislation to permit the use of dining assistants is enacted into law. The department shall not be responsible for costs associated with training dining assistants.

Sec. 1778. The department, in cooperation with the Michigan health and hospital association, shall implement a disproportionate share hospital payment that allocates a total of \$50,000,000.00 to small and rural hospitals and a total of \$10,000,000.00 to hospital facilities with neonatal intensive care units and pediatric intensive care units. The department shall share the payment methodology with the state budget director, members of the house and senate appropriations subcommittees on community health, and the house and senate fiscal agencies 30 days prior to submission of the plan to the federal government.

Sec. 1780. If congressional action results in an increase in Michigan's federal medical assistance percentage in fiscal year 2008, it is the intent of the legislature that a portion of this new funding be used to augment physician primary care codes fee screens and hospital neonatal and pediatric intensive care unit payments.

Sec. 1781. The department may conduct a pilot project to demonstrate improvements in the efficiency and effectiveness of the plan first program, long-term care programs, and other programs as identified by the department. In conducting the pilot project, the department shall consult with other affected programs and agencies. In conducting the pilot, the department or its designee shall have direct access to the department of human services eligibility, budget, and registration systems for purposes of initial processing, including taking applications, assisting applicants in completing the application, providing information and referrals, obtaining required documentation to complete processing of the application, and assuring the information contained on the application form is complete. To the extent practical and desirable, trusted third-party data sources may be accessed to verify income and asset information during the financial eligibility determination process. The department shall issue a report to the legislature summarizing the results of the pilot project and recommendations for the future.

Third: 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 community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Gary McDowell
George Cushingberry, Jr.
Bruce Caswell
Conferees for the House

Roger Kahn
John Pappageorge
Deborah Cherry
Conferees for the Senate

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. 496**Yeas—81**

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

Nays—28

Acciavatti	Green	Knollenberg	Pastor
Agema	Hildenbrand	Marleau	Pavlov
Amos	Hoogendyk	Meekhof	Pearce
Brandenburg	Horn	Meltzer	Sheen
DeRoche	Huizenga	Moss	Stahl
Elsenheimer	Hune	Opsommer	Steil
Garfield	Jones, Rick	Palmer	Walker

In The Chair: Sak

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

“Mr. Speaker and members of the House:

This conference report was issued mere moments ago. We have had no realistic opportunity to review the bill.”

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

“Mr. Speaker and members of the House:

It is impossible to balance the budget without dealing with over spending in this area. It includes pay increases at a time when we can't afford them. It's a 7.6% increase. Where are the cuts and reforms?”

Rep. Sheen, having reserved the right to explain his nay vote, made the following statement:
 “Mr. Speaker and members of the House:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state’s economy or its citizens. However, it will take more money out of people’s paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive out more employers, increasing unemployment and further exacerbating Michigan’s plight. We might as well put a red flashing light at the state line warning businesses not to come here.

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?”

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 4348, entitled

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

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

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

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

THE 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 corrections 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 CORRECTIONS

APPROPRIATION SUMMARY:

Average population	51,841	
Full-time equated unclassified positions	16.0	
Full-time equated classified positions	17,637.4	
GROSS APPROPRIATION		\$ 2,078,269,100
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	1,264,600	
ADJUSTED GROSS APPROPRIATION		\$ 2,077,004,500
Federal revenues:		
Total federal revenues	10,340,700	
Special revenue funds:		
Total local revenues	429,700	
Total private revenues	0	

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Total other state restricted revenues	70,149,600
State general fund/general purpose	\$ 1,996,084,500
Sec. 102. EXECUTIVE	
Full-time equated unclassified positions	16.0
Full-time equated classified positions	8.0
Unclassified positions—16.0 FTE positions	\$ 1,373,500
Executive direction—8.0 FTE positions	1,790,000
Mental health study	400,000
GROSS APPROPRIATION	\$ 3,563,500
Appropriated from:	
State general fund/general purpose	\$ 3,563,500
Sec. 103. PLANNING AND COMMUNITY SUPPORT	
Full-time equated classified positions	72.0
Planning, community development, and research—32.0 FTE positions	\$ 2,934,400
Mental health awareness training	100,000
Prisoner reintegration programs	33,173,700
Community corrections administration—17.0 FTE positions	1,891,300
Substance abuse testing and treatment services—23.0 FTE positions	20,042,800
Residential services	16,925,500
Community corrections comprehensive plans and services	12,533,000
Public education and training	50,000
Regional jail program	100
Felony drunk driver jail reduction and community treatment program	2,097,400
County jail reimbursement program	13,249,000
GROSS APPROPRIATION	\$ 102,997,200
Appropriated from:	
Federal revenues:	
DOJ, office of justice programs, Byrne grants	729,400
DOJ, office of justice programs, RSAT	142,800
DOJ, prisoner reintegration	1,035,000
Special revenue funds:	
Telephone fees and commissions	8,555,500
Civil infraction fees	7,514,400
State general fund/general purpose	\$ 85,020,100
Sec. 104. OPERATIONS SUPPORT ADMINISTRATION	
Full-time equated classified positions	259.1
Operations support administration—3.0 FTE positions	\$ 405,000
Bureau of human resources—159.2 FTE positions	15,881,900
Human resources optimization user charges	1,079,700
New custody staff training	11,533,000
Compensatory buyout and union leave bank	100
Worker's compensation	16,162,000
Bureau of fiscal management—60.9 FTE positions	5,287,900
Office of legal services—28.0 FTE positions	3,086,200
Internal affairs—8.0 FTE positions	814,100
Rent	2,095,200
Equipment and special maintenance	425,500
Administrative hearings officers	3,963,900
Sheriffs' coordinating and training office	500,000
Prosecutorial and detainer expenses	4,051,000
GROSS APPROPRIATION	\$ 65,285,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP, Michigan justice training fund	695,900
Special revenue funds:	
Local corrections officer training fund	500,000
Correctional industries revolving fund	107,800
State general fund/general purpose	\$ 63,981,800

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Sec. 105. FIELD OPERATIONS ADMINISTRATION

Full-time equated classified positions	1,924.9	
Field operations—1,801.9 FTE positions		\$ 152,033,000
Parole board operations—33.0 FTE positions		2,883,200
Parole/probation services		2,867,300
Community re-entry centers—51.0 FTE positions		16,800,500
Electronic monitoring center—39.0 FTE positions		7,086,900
GROSS APPROPRIATION		\$ 181,670,900

Appropriated from:

Special revenue funds:

Local - community tether program reimbursement.....		429,700
Re-entry center offender reimbursements		133,900
Parole and probation oversight fees		10,753,900
Parole and probation oversight fees set-aside.....		3,267,300
Public works user fees		248,900
Tether program participant contributions		6,010,800
Telephone fees and commissions		2,522,200
State general fund/general purpose		\$ 158,304,200

Sec. 106. CORRECTIONAL FACILITIES-ADMINISTRATION

Average population.....	2,638	
Full-time equated classified positions	1,857.0	
Correctional facilities administration—39.0 FTE positions.....		\$ 6,898,000
Prison food service—487.0 FTE positions		84,025,000
Transportation—229.0 FTE positions.....		25,441,700
Facility maintenance and repurposing		120,000
Central records—63.0 FTE positions		5,295,800
Inmate legal services.....		314,900
Loans to parolees.....		179,400
Housing inmates in federal institutions		793,900
Prison industries operations—219.0 FTE positions.....		20,097,000
Education services and federal education grants—10.0 FTE positions.....		5,718,900
Federal school lunch program		712,800
Leased beds and alternatives to leased beds.....		100
Inmate housing fund—450.5 FTE positions		44,414,700
Average population.....	2,638	
MPRI education program—359.5 FTE positions.....		37,860,400
GROSS APPROPRIATION		\$ 231,872,600

Appropriated from:

Interdepartmental grant revenues:

IDG-MDCH, forensic center food service.....		568,700
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Federal revenues:

DAG-FNS, national school lunch.....		712,800
DED-OESE, title 1.....		521,800
DED-OVAE, adult education.....		1,892,500
DED, adult literacy grants.....		308,300
DED-OSERS.....		101,300
DED, vocational education equipment		277,300
DED, youthful offender/Specter grant.....		1,289,400
DOJ-BOP, federal prisoner reimbursement.....		211,000
DOJ-OJP, serious and violent offender reintegration initiative.....		1,010,000
DOJ, prison rape elimination act grant.....		1,000,000
SSA-SSI, incentive payment		123,600

Special revenue funds:

Correctional industries revolving fund.....		20,097,000
Public works user fees		174,000
Resident stores		231,400
State general fund/general purpose		\$ 203,353,500

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Sec. 107. CONSENT DECREES

Full-time equated classified positions	470.3	
Hadix consent decree—137.0 FTE positions		\$ 12,043,800
DOJ consent decree—106.8 FTE positions		10,031,300
DOJ psychiatric plan - MDCH mental health services		38,108,200
DOJ psychiatric plan - MDOC staff and services—226.5 FTE positions		17,986,500
GROSS APPROPRIATION		<u>\$ 78,169,800</u>
Appropriated from:		
State general fund/general purpose		\$ 78,169,800

Sec. 108. HEALTH CARE

Full-time equated classified positions	1,041.1	
Health care administration—14.0 FTE positions		\$ 2,164,900
Hospital and specialty care services		84,274,900
Vaccination program		691,200
Northern region clinical complexes—270.9 FTE positions		36,636,400
Southeastern region clinical complexes—453.4 FTE positions		68,847,300
Southwestern region clinical complexes—302.8 FTE positions		41,551,600
GROSS APPROPRIATION		<u>\$ 234,166,300</u>
Appropriated from:		
Special revenue funds:		
Prisoner health care copayments		331,400
State general fund/general purpose		\$ 233,834,900

Sec. 109. NORTHERN REGION CORRECTIONAL FACILITIES

Average population	15,855	
Full-time equated classified positions	4,033.4	
Alger maximum correctional facility - Munising—331.1 FTE positions		\$ 31,735,600
Average population	849	
Baraga maximum correctional facility - Baraga—400.6 FTE positions		37,495,500
Average population	1,172	
Chippewa correctional facility - Kincheloe—543.2 FTE positions		50,794,200
Average population	2,282	
Kinross correctional facility - Kincheloe—562.5 FTE positions		55,757,000
Average population	2,999	
Marquette branch prison - Marquette—367.7 FTE positions		37,539,700
Average population	1,201	
Newberry correctional facility - Newberry—290.0 FTE positions		26,491,800
Average population	978	
Oaks correctional facility - Eastlake—324.6 FTE positions		34,062,000
Average population	1,156	
Ojibway correctional facility - Marenisco—271.3 FTE positions		24,640,000
Average population	1,378	
Pugsley correctional facility - Kingsley—231.4 FTE positions		20,897,500
Average population	1,158	
Saginaw correctional facility - Freeland—330.0 FTE positions		31,687,600
Average population	1,480	
Standish maximum correctional facility - Standish—381.0 FTE positions		<u>37,750,000</u>
Average population	1,202	
GROSS APPROPRIATION		<u>\$ 388,850,900</u>
Appropriated from:		
Special revenue funds:		
Public works user fees		1,916,500
Resident stores		1,348,500
State general fund/general purpose		\$ 385,585,900

Sec. 110. SOUTHEASTERN REGION CORRECTIONAL FACILITIES

Average population	16,537	
Full-time equated classified positions	4,325.4	
Cooper street correctional facility - Jackson—286.8 FTE positions		\$ 28,938,400
Average population	1,752	

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G. Robert Cotton correctional facility - Jackson—414.3 FTE positions	39,172,400
Average population	1,854
Charles E. Egeler correctional facility - Jackson—372.4 FTE positions	37,896,700
Average population	1,108
Gus Harrison correctional facility - Adrian—493.3 FTE positions	47,352,200
Average population	2,342
Huron Valley correctional complex - Ypsilanti—681.0 FTE positions	64,913,700
Average population	1,772
Macomb correctional facility - New Haven—307.5 FTE positions	27,945,500
Average population	1,228
Mound correctional facility - Detroit—295.6 FTE positions	26,677,200
Average population	1,051
Parnall correctional facility - Jackson—270.8 FTE positions	26,836,500
Average population	1,712
Ryan correctional facility - Detroit—323.6 FTE positions	29,227,400
Average population	1,059
Robert Scott correctional facility - Plymouth—360.5 FTE positions	33,182,700
Average population	1,040
Southern Michigan correctional facility - Jackson	3,597,500
Thumb correctional facility - Lapeer—309.6 FTE positions	29,860,800
Average population	1,219
Special alternative incarceration program (Camp Cassidy Lake)—120.0 FTE positions	10,956,400
Average population	400
Jackson area support and services—90.0 FTE positions	16,184,600
GROSS APPROPRIATION	\$ 422,742,000
Appropriated from:	
Federal revenues:	
DOJ, state criminal alien assistance program	985,500
Special revenue funds:	
Public works user fees	1,913,300
Resident stores	1,439,300
State general fund/general purpose	\$ 418,403,900
Sec. 111. SOUTHWESTERN REGION CORRECTIONAL FACILITIES	
Average population	16,811
Full-time equated classified positions	3,646.2
Bellamy Creek correctional facility - Ionia—405.5 FTE positions	\$ 41,780,400
Average population	1,850
Earnest C. Brooks correctional facility - Muskegon—486.5 FTE positions	47,018,400
Average population	2,440
Carson City correctional facility - Carson City—504.0 FTE positions	48,607,100
Average population	2,440
Richard A. Handlon correctional facility - Ionia—237.2 FTE positions	23,484,100
Average population	1,320
Ionia maximum correctional facility - Ionia—317.8 FTE positions	30,384,600
Average population	707
Lakeland correctional facility - Coldwater—615.7 FTE positions	59,250,600
Average population	3,102
Muskegon correctional facility - Muskegon—232.4 FTE positions	23,945,800
Average population	1,326
Pine River correctional facility - St. Louis—221.4 FTE positions	20,877,600
Average population	1,200
St. Louis correctional facility - St. Louis—566.7 FTE positions	52,628,800
Average population	2,426
Ionia area support and services—59.0 FTE positions	3,339,800
GROSS APPROPRIATION	\$ 351,317,200
Appropriated from:	
Special revenue funds:	
Public works user fees	750,100

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Resident stores		1,635,400
State general fund/general purpose	\$	348,931,700
Sec. 112. INFORMATION TECHNOLOGY		
Information technology services and projects	\$	17,633,200
GROSS APPROPRIATION	\$	17,633,200
Appropriated from:		
Special revenue funds:		
Correctional industries revolving fund		141,600
Parole and probation oversight fees set-aside		556,400
State general fund/general purpose	\$	16,935,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2007-2008 is \$2,066,234,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$91,440,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff	\$	47,487,800
Public service work projects		10,326,600
Community corrections comprehensive plans and services		12,533,000
Community corrections residential services		16,925,500
Community corrections public education and training		50,000
Felony drunk driver jail reduction and community treatment program		2,097,400
Community reentry centers		2,019,600
Regional jail program		100
TOTAL	\$	91,440,000

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG-FNS" means the DAG food and nutrition service.
- (c) "DED" means the United States department of education.
- (d) "DED-OESE" means the DED office of elementary and secondary education.
- (e) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.
- (g) "Department" or "MDOC" means the Michigan department of corrections.
- (h) "DOJ" means the United States department of justice.
- (i) "DOJ-BOP" means the DOJ bureau of prisons.
- (j) "DOJ-OJP" means the DOJ office of justice programs.
- (k) "FTE" means full-time equated.
- (l) "GED" means general education diploma.
- (m) "GPS" means global positioning system.
- (n) "IDG" means interdepartmental grant.
- (o) "IDT" means intradepartmental transfer.
- (p) "MDCH" means the Michigan department of community health.
- (q) "MDSP" means the Michigan department of state police.
- (r) "MPRI" means the Michigan prisoner reentry initiative.
- (s) "OCC" means the office of community corrections.
- (t) "RSAT" means residential substance abuse treatment.
- (u) "SSA" means the United States social security administration.
- (v) "SSA-SSI" means SSA supplemental security income.

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

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

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

(2) The state budget director may grant exceptions to the hiring freeze imposed under subsection (1) 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 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. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 207. At least 120 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 207a. (1) Before privatizing any services or activities currently provided by state employees in the department, the department shall submit to the senate and house appropriations committees a preprivatization cost-benefit analysis. This analysis shall utilize accurate, reliable, and objective data. Included in this analysis shall be a comparative estimate of the costs that will be incurred by the state over the life of the contract if either or both of the following occur:

(a) The service or activity continues to be provided by state employees.

(b) The service or activity is privatized. The costs of privatizing these services shall include the costs of all necessary monitoring and oversight of the private entity by the state. These private entities must be adequately bonded, so as not to expose the state to any potential future liability or legal causes of action.

(2) The department shall not commence any efforts to privatize the services or activities currently provided by state employees under appropriations made by this act until the cost-benefit analysis prescribed by subsection (1) has been sent to both the senate and house appropriations committees 14 days prior to the efforts to privatize and proves a cost savings of at least 5% of the costs of continuing to use state employees in providing the services or activities.

(3) A private contractor with a contract with this state that expends state or federal tax dollars shall have all records pertinent to state contracts, including all records detailing compliance with section 209 of this act, be subject to disclosure to the department or the department of management and budget.

(4) State employees shall be given the opportunity to bid on contracts that privatize services that are or were provided by state employees. Should the contract be awarded to any state employee, he or she would cease being an employee of the state.

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. There shall be at least 1 separate and distinct electronic file for each section that includes a reporting requirement.

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 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. (1) Pursuant to the provisions of civil service rules and regulations and applicable collective bargaining agreements, individuals seeking employment with the department shall submit to a controlled substance test. The test shall be administered by the department.

(2) Individuals seeking employment with the department who refuse to take a controlled substance test or who test positive for the illicit use of a controlled substance on such a test shall be denied employment.

Sec. 211. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, union steward activities, public work programs, and services provided to units of government. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

Sec. 212. Preference should be given to purchasing produce from Michigan growers and processors when their produce is competitively priced and of comparable quality.

Sec. 213. By February 15, 2008, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing nongeneral fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time

sources of revenue, whether or not such revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2006-2007, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2006-2007, the account balance at the close of fiscal year 2006-2007, and the projected revenues and expenditures for fiscal year 2007-2008.

Sec. 214. 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. These user fees are subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of corrections 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. 216. (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, safety, or health and 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, or both, 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 listed 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 senate and house standing committees on appropriations, 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. 217. 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 deprived and depressed communities for services, supplies, or both.

Sec. 218. It is the intent of the legislature that no expenditures for employee dry cleaning allowances be made or obligations to pay employee dry cleaning allowances be incurred for dry cleaning allowances in excess of the amounts authorized under collective bargaining contracts in effect from January 1, 2002 to December 31, 2004.

Sec. 219. It is the intent of the legislature that any contract for prisoner telephone services entered into after the effective date of this act include a condition that fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary to meet special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

Sec. 221. (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 previous calendar year to the senate and house appropriations subcommittees on corrections, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used 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. 222. 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. 223. (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 \$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 \$2,000,000.00 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 \$2,000,000.00 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.

EXECUTIVE

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

Sec. 302. (1) From the funds appropriated in part 1 for the mental health study, the department shall allocate not more than \$400,000.00 for the purpose of contracting for an independent study prescribed under this section.

(2) In consultation with the MDCH, the department shall contract for an independent study on the prevalence of prisoners in need of mental health treatment, substance abuse services, or both, and on the provision of services to prisoners in need of mental health treatment, substance abuse services, or both. The study must be completed or supervised by a psychiatrist as defined in section 100c of the mental health code, 1974 PA 258, MCL 330.1100c. The lead psychiatrist shall not be a current or former employee or contractual agent of the department or the department of community health. At a minimum, the study shall collect and evaluate data on all of the following, to the extent possible under the health insurance portability and accountability act (HIPAA), 42 USC 1320d-6 and 45 CFR parts 160 and 164:

(a) The number of prisoners receiving substance abuse services, including a description and breakdown of the type of substance abuse services provided to prisoners, by major offense type.

(b) The number of prisoners with a primary diagnosis of mental illness, the number of prisoners considered to currently require mental health services, and the number of prisoners receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, and the type of mental health services provided to those prisoners, by major offense type.

(c) The number of prisoners with a primary diagnosis of mental illness and receiving substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of treatment provided to those prisoners, by major offense type.

(d) Data indicating whether prisoners receiving mental health services for a primary diagnosis of mental illness were previously hospitalized in a state psychiatric hospital for persons with mental illness, by major offense type.

(e) Data indicating whether prisoners with a primary diagnosis of mental illness and receiving substance abuse services were previously hospitalized in a state psychiatric hospital for persons with mental illness.

(f) The cost of psychotropic pharmaceuticals for prisoners with a primary diagnosis of mental illness itemized by type, specific diagnosis, identification as a brand name or a generically equivalent pharmaceutical, and the name of the manufacturer or distributor.

(g) Quarterly and fiscal year-to-date expenditures itemized by vendor, status of payments from contractors to vendors, and projected year-end expenditures from accounts for substance abuse treatment and mental health care.

(h) The number of prisoners that have had their primary diagnosis of mental illness changed while in prison by a mental health clinician from an earlier diagnosis received in prison or while hospitalized in a state psychiatric hospital for persons with mental illness, itemized by current and previous diagnosis.

(i) The number of prisoners with a primary diagnosis of mental illness that previously had received substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of treatment provided to those prisoners.

(j) All department policies and procedures relating to prisoners and parolees with mental illness, substance abuse disorders, or both, including, but not limited to, those related to prisoners with discharge status.

(3) A report on the study, together with any recommendations contained in the study and response from the department, shall be provided to the members of the senate and house appropriations subcommittees on corrections and community health, the senate and house fiscal agencies, MDCH, and the state budget director no later than 30 days following the receipt of the completed study. The report shall include all of the information required under subsection (2) and any recommendations. The report also shall include a plan by the department to implement those recommendations with which it agrees and an explanation of any disagreements with recommendations.

Sec. 303. It is the intent of the legislature that the quantity of database systems in use by the department be optimal for efficient data usage and communications. By January 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on a plan to implement secure, encrypted, Internet-based database systems that can electronically communicate with each other and with other law-enforcement-related databases by September 30, 2008.

PLANNING AND COMMUNITY SUPPORT

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates by February 1, 2008 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Sec. 402. It is the intent of the legislature that the funds appropriated in part 1 for prisoner reintegration programs be expended for the purpose of reducing victimization by reducing offender recidivism through the following prisoner reintegration programming:

- (a) The provision of employment and job training.
- (b) The provision of assistance in acquiring the documents necessary to obtain a state identification card or operator's license.
- (c) The provision of housing assistance.
- (d) Referral to mental health services.
- (e) Referral to substance abuse services.
- (f) Referral to public health services.
- (g) Referral to education.
- (h) Referral to any other services necessary for successful reintegration.

Sec. 403. (1) By April 1, 2008, the department shall provide a report on prisoner reintegration programs to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include all of the following information:

- (a) Allocations and projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.
- (b) An explanation of the objectives and results measures for each program.
- (c) An explanation of how the programs will be evaluated.
- (d) A discussion of the evidence and research upon which each program is based.
- (e) A discussion and estimate of the impact of prisoner reintegration programs on reoffending and returns to prison.
- (f) A progress report on applicable results of each program, including, but not limited to, the estimated bed space impact of prisoner reintegration programs.

(2) The department shall provide quarterly reports on January 1, 2008, April 1, 2008, July 1, 2008, and September 30, 2008 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status and recidivism levels of offenders who participated in the MPRI and have been released. The data should be broken out by the following 4 offender types: drug, nonassaultive, assaultive, and sex.

(3) By September 30, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a comparison of the overall recidivism rates and length of time prior to prison return of offenders who participated in the MPRI with those of offenders who did not. The report should disaggregate the information by each site in order to compare the practices and success rates of each site.

(4) The department shall include prisoners nearing their maximum sentence in the prison phases of the MPRI.

(5) The MPRI shall include programming on understanding conditions of parole, and each offender's transition accountability plan shall include a plan for following conditions of parole. The department shall ensure that each offender understands his or her conditions of parole prior to release from prison.

(6) The department shall provide monthly reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on parolees who participated in the MPRI and have tested positive for substances in the previous month and since October 1, 2007. The report shall include any sanctions imposed by the department in response to the positive substance test.

(7) The department shall provide monthly reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on parolees who participated in the MPRI and have a diagnosis of mental illness or received mental health treatment while in prison. The report shall include the number of offenders successfully referred to the local community mental health agency, by county, and number of parolees participating in treatment for mental illness, by county.

Sec. 404. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

(2) Subject to the availability of funding resources, the department shall provide substance abuse treatment to prisoners with priority given to those prisoners who are most in need of treatment and who can best benefit from program intervention based on the screening and assessment provided under subsection (1).

Sec. 405. (1) In expending residential substance abuse treatment services funds appropriated under this act, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) By April 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2006-2007 and projected for fiscal year 2007-2008. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(3) By April 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender behavior and recidivism.

Sec. 406. (1) By December 1, 2007, the department shall develop uniform minimum standards for MPRI sites and the expenditure of MPRI funds, including funds appropriated for prisoner reintegration programs. At a minimum, the standards shall address all of the following:

- (a) The acceptable range or ranges for administrative costs.
- (b) How local program results are to be reported and quantified.
- (c) The acceptable range or ranges for per-participant expenditures.
- (d) Procedures for referral and follow up by the department on the status of referrals to substance abuse treatment, health care, and mental health treatment.
- (e) Any other standards determined by the department to be consistent with good management practices and optimum program results.

(2) By March 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the standards required by subsection (1). The report shall include information explaining how each standard was determined and how it is being implemented. The department shall implement these standards after review by the senate and house appropriations subcommittees on corrections.

Sec. 407. (1) By March 1, 2008, the department shall report to the senate and house subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on offenders who have served their maximum sentence and been released from prison in the last 5 years. The report shall include the following information:

- (a) The number of offenders who were paroled and returned to prison prior to serving their maximum sentence compared to the number of offenders who served their maximum sentence without ever having been paroled.
- (b) The number of offenders disaggregated by major offense type: assaultive, nonassaultive, drug, and sex.
- (c) The educational history of those offenders, including how many had a GED or high school diploma prior to incarceration in prison, how many received a GED while in prison, and how many received a vocational certificate while in prison.
- (d) A comparison of each offender's original offense to the offender's new offense by major offense type: assaultive, nonassaultive, drug, and sex, for offenders who have since returned to prison with a new commitment after previously serving a maximum sentence.

(2) The department shall provide monthly reports to the senate and house subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on offenders who have served their maximum sentence and been released from prison in the previous month. The reports shall include the following information:

- (a) The number of offenders who were paroled and returned to prison prior to serving their maximum sentence compared to the number of offenders who served their maximum sentence without ever having been paroled.
- (b) The number of offenders disaggregated by major offense type: assaultive, nonassaultive, drug, and sex.
- (c) Each offender's adjudication history based on their presentence investigation report.

Sec. 408. As a condition of expending funds appropriated for planning, community development and research and prisoner reintegration programs under part 1, the department shall by January 31, 2008 provide a plan to reduce recidivism rates among prisoners released from correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on 3-year recidivism rates in this state for the most recent 5-year period, a detailed comparison of those rates to rates in other states and a national average, and details on how the department plans to improve recidivism rates. The plan also shall include details on how the department proposes to measure the success of the plan.

Sec. 409. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling. As used in this act:

(a) "Alternative to incarceration in a state facility or jail" means a program that involves offenders who receive a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail based on historical local sentencing patterns or that amounts to a reduction in the length of sentence in a jail.

(b) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.

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

(d) "Offender eligibility criteria" means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.

(e) "Offender target population" means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not increase the risk to the public safety, who have not demonstrated a pattern of violent behavior, and who do not have criminal records that indicate a pattern of violent offenses.

(f) "Offender who would likely be sentenced to imprisonment" means either of the following:

(i) A felon or misdemeanant who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.

(ii) A currently incarcerated felon or misdemeanant who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.

Sec. 410. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of nonviolent offenders who would have otherwise received an active sentence, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on prison commitment rates and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than \$47.50.

Sec. 411. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program (boot camp), probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plans and the purposes and priorities of section 8(4) of

the community corrections act, 1988 PA 511, MCL 791.408. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and the use of the county jail reimbursement program under section 416. The state community corrections board shall encourage local community corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders, including, but not limited to, probation and parole violators who are at risk of revocation.

Sec. 412. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

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

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

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

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

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

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

Sec. 413. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, and basic state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide basic jail data to the department.

Sec. 414. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails felons who otherwise would have been sentenced to prison.

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

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

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months.

(3) State reimbursement under this section for prisoner housing and custody expenses per diverted offender shall be \$43.50 per diem for up to a 1-year total.

(4) From the funds appropriated in part 1 for the county jail reimbursement program, the department shall conduct an ongoing study to determine the impact of the new legislative sentencing guidelines. The study shall analyze sentencing patterns of jurisdictions as well as future patterns in order to determine and quantify the population impact on prisons and jails of the new guidelines as well as to identify and define felon or crime characteristics or sentencing guidelines scores that indicate a felon is a prison diversion. The department shall conduct a local and statewide study for this purpose and provide periodic reports regarding the status and findings of the study to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director.

(5) The department, the state budget office, the Michigan association of counties, and the Michigan sheriffs' association shall review the periodic findings of the study required in subsection (4) and, if appropriate, recommend modification of the criteria for reimbursement contained in subsection (2) at meetings convened by the chairs of the house and senate appropriations subcommittees on corrections.

(6) The department shall reimburse counties for offenders in jail based upon the reimbursement eligibility criteria in place on the date the offender was originally sentenced for the reimbursable offense.

(7) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. The department shall by October 15, 2006 distribute the documentation requirements to all counties.

Sec. 415. (1) As a condition of receipt of the funds appropriated in part 1 for community corrections plans and services and residential services, the department shall only award those funds requested under a properly prepared and approved comprehensive corrections plan submitted under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, or directly applied for under section 10 of the community corrections act, 1988 PA 511, MCL 791.410.

(2) The department shall only halt funding for an entity funded under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, in instances of substantial noncompliance during the period covered by the plan.

Sec. 416. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have upper limits of 18 months or less, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing annual standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the funds, consistent with the purposes specified in this section.

(4) Allowable uses of the funds shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of \$43.50 per day per offender, up to a maximum of 5 days per offender.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk drivers whose recommended minimum sentence ranges under the sentencing guidelines described in subsection (1)(c) had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, "felony drunk driver" means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(9)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

Sec. 417. (1) By April 1, 2008, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on each of the following programs from the previous fiscal year:

(a) The county jail reimbursement program.

(b) The felony drunk driver jail reduction and community treatment program.

(c) The alternatives to prison jail and treatment programs.

(d) Any new initiatives to control prison population growth funded or proposed to be funded under part 1.

(2) For each program listed under subsection (1), the report under subsection (1) shall include information on each of the following:

(a) Program objectives and outcome measures.

(b) Expenditures by location.

(c) The impact on jail utilization.

(d) The impact on prison admissions.

(e) Other information relevant to an evaluation of the program.

Sec. 418. (1) It is the intent of the legislature that the department ensure that each prisoner make all reasonable efforts to obtain the documents necessary to obtain a state operator's license or state identification card prior to a prisoner's discharge or parole hearing. The process for prisoners to acquire this documentation shall be part of the department's operating procedure by the end of the fiscal year.

(2) The department shall cooperate with MDCH to develop a process by which prisoners can obtain their birth certificates. By April 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the process developed under this section.

Sec. 419. (1) The department shall provide weekly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner, parolee, and probationer populations by facility, and prison capacities.

(2) The department shall provide monthly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. By July 1, 2008, the department shall provide monthly reports for March 2006 through September 2007. The reports shall include information on end-of-month prisoner populations in county jails, the net operating capacity according to the most recent certification report, identified by date, and end-of-month data, year-to-date data, and comparisons to the prior year for the following:

(a) Community residential program populations, separated by centers and electronic monitoring.

(b) Parole populations.

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

(d) Prison and camp populations, with separate identification of the number in special alternative incarceration and the number of lifers.

(e) Parole board activity, including the numbers and percentages of parole grants and parole denials.

(f) Prisoner exits, identifying transfers to community placement, paroles from prisons and camps, paroles from community placement, total movements to parole, prison intake, prisoner deaths, prisoners discharging on the maximum sentence, and other prisoner exits.

(g) Prison intake and returns, including probation violators, new court commitments, violators with new sentences, escaper new sentences, total prison intake, returns from court with additional sentences, community placement returns, technical parole violator returns, and total returns to prison and camp.

Sec. 420. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house judiciary committees, the senate and house fiscal agencies, and the state budget director on the status of the department's response to the performance audits by the office of the auditor general on the department's staffing, health care services, food service and prisoner transportation, mental health care services, and pharmaceuticals. The department shall provide the reports within 30 days after each audit's official release date.

Sec. 421. Of the funds appropriated in part 1, \$100,000.00 is appropriated for the purpose of providing an interdepartmental grant to the Michigan state police for the purpose of providing grants for training teams of law enforcement officers and mental health treatment providers. The teams shall be trained in effective and safe ways of assisting people with mental illness during law enforcement contacts and directing people with mental illness to treatment programs. It is the intent of the legislature that mental health awareness training be incorporated into continuing education for all law enforcement officers in the state.

Sec. 422. It is the intent of the legislature that MPRI programs become standard operating procedure in the department by the end of fiscal year 2008-2009.

OPERATIONS AND SUPPORT ADMINISTRATION

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 502. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 503. Funds appropriated in part 1 for administrative hearings officers are appropriated as an interdepartmental grant to the department of labor and economic growth for the purpose of funding administrative hearings officers for adjudication of grievances pertaining to the department of corrections. The department shall not expend appropriations from part 1 to satisfy charges from the department of labor and economic growth for administrative hearings officers in excess of the amount expressly appropriated by this act for the administrative hearings officers.

FIELD OPERATIONS ADMINISTRATION

Sec. 601. From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by February 15, 2008.

Sec. 602. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work project sites.

(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, "community service work" means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for costs associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the costs of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the total costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Sec. 606. It is the intent of the legislature that the department shall ensure that parolees and probationers may timely contact their parole or probation agents and maintain procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Sec. 607. The department shall not expend funds appropriated in part 1 for rental payments or operational expenses for premises leased under lease number 7787 and located at 322 Front Avenue SW, Grand Rapids, Michigan, also known as parcel 41-13-25-378-005, more than 120 days after the effective date of this act.

Sec. 608. By April 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the use of GPS electronic monitoring. At a minimum, the report shall include all of the following:

(a) Details on the failure rate of parolees for whom GPS tether is utilized, including the number and rate of parolee technical violations, including specifying failures due to committing a new crime that is uncharged but leads to parole termination, and the number and rate of parolee violators with new sentences.

(b) Information on the factors considered in determining whether an offender is placed on active GPS tether, passive GPS tether, radio frequency tether, or some combination of these or other types of electronic monitoring.

(c) Monthly data on the number of offenders on active GPS tether, passive GPS tether, radio frequency tether, and any other type of tether.

Sec. 609. Not more than 6 months after the pilot program is implemented, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the use of kiosk reporting stations. At a minimum, the report shall include all of the following:

(a) Factors considered in determining whether an offender is assigned to report at a kiosk.

(b) Information on the location, costs, safety features, and other features of kiosks used for offender reporting.

(c) Information on pilot program outcome measures.

(d) An evaluation of the kiosk reporting pilot program, including any need for improvement and an assessment of the potential for expanded use of kiosk reporting stations.

Sec. 611. The department shall prepare by April 1, 2008 individual reports for the community re-entry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the

house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

(a) Monthly new participants by type of offender. Community re-entry program participants shall be categorized by reason for placement. For technical rule violators, the report shall sort offenders by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

(d) End month population by facility/program.

(e) Average length of placement.

(f) Return to prison statistics.

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

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

(i) Comparison with prior year statistics.

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

Sec. 612. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the pilot projects for substance abuse treatment provided under this act and applicable provisions of prior budget acts for the department.

(4) The department shall provide monthly reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the preceding calendar month. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

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

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

(c) The educational history of those offenders, including how many had a GED or high school diploma prior to incarceration in prison, how many received a GED while in prison, and how many received a vocational certificate while in prison.

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

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

Sec. 613. The department shall report by February 1, 2008 to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on parole and probation special operations program participants from October 1, 2005 to September 30, 2007.

CONSENT DECREES

Sec. 701. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

HEALTH CARE

Sec. 801. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Sec. 802. (1) As a condition of expenditure of the funds appropriated in part 1, the department shall provide the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with all of the following:

(a) Quarterly reports on physical and mental health care detailing the average number of days between a prisoner's diagnosis and commencement of treatment for that diagnosis, quarterly and fiscal year-to-date expenditures itemized

by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

(b) Not more than 1 week after receiving the final findings and recommendations of the national commission on correctional health care, a report with regard to the following:

(i) Bureau of health care services organizational structure, administration, and management.

(ii) Timeliness, appropriateness, and quality of the following services:

(A) Clinical services provided through the department, including nursing, dental, and clinical support services.

(B) Clinical psychological services provided through the department, including intake processing, assaultive offender program, and sex offender treatment program.

(C) Mental health services to treat the seriously mentally ill provided through the department of community health, including inpatient care, rehabilitative treatment, residential treatment, crisis stabilization, and outpatient mental health treatment.

(D) Primary on-site medical services, on-site inpatient medical services, specialty services, and utilization review procedures provided by the state's health care contractors.

(2) It is the intent of the legislature that, in the interest of providing the most efficient and cost-effective delivery of health care, local health care providers shall be considered and given the opportunity to competitively bid as vendors under future managed care contracts.

Sec. 804. (1) The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner health care utilization. The report shall include the number of inpatient hospital days, outpatient visits, and emergency room visits in the previous quarter and since October 1, 2007, by facility.

(2) By April 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoners receiving off-site inpatient medical care that would have received care in a state correctional facility if beds were available. The report shall include the number of prisoners receiving off-site inpatient medical care and average length of stay in an off-site facility during the period they would have received care in a state correctional facility if beds were available, by month and correctional facilities administration region.

Sec. 805. The bureau of health care services shall develop information on Hepatitis C and human immunodeficiency virus (HIV) prevention and the risks associated with exposure to Hepatitis C and HIV. The health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 1 week before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence.

Sec. 806. (1) From the funds appropriated in part 1, the department shall require a Hepatitis C antibody test and an HIV test for each prisoner prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall require an HIV test and a Hepatitis C risk factor screening for each prisoner at the health screening at admissions. If Hepatitis C risk factors are identified, the department shall offer the prisoner a Hepatitis C antibody test. An explanation of results of the tests shall be provided confidentially to the prisoner, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention.

(2) By March 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the number of offenders tested and the number of offenders testing positive for HIV, the Hepatitis C antibody, or both at prison admission and parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall keep records of those offenders testing positive for HIV, the Hepatitis C antibody, or both at prison admission, parole, transfer to community residential placement, and discharge. These records shall clearly state the date each test was performed.

(3) As a condition of expenditure of the funds appropriated in part 1, the department shall keep records of the following:

(a) The number of offenders testing positive for the Hepatitis C antibody who do not receive treatment, by reason for not participating.

(b) The number of offenders achieving a sustained viral response from Hepatitis C treatment.

(c) Cost and duration of treatment by offender.

Sec. 807. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another. Prisoners being released shall be provided with a supply of medication to allow for continuity of care in the community.

Sec. 808. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours, and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 809. The department, in conjunction with efforts to implement the MPRI, shall cooperate with the MDCH to share data and information as they relate to prisoners being released who are HIV positive or positive for the Hepatitis C antibody. By April 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on all of the following:

- (a) Programs and the location of programs implemented as a result of the work under this section.
- (b) The programs' potential impact on the state budget.
- (c) The number of prisoners released to the community by parole, discharge on the maximum sentence, or transfer to community residential placement who are HIV positive, positive for the Hepatitis C antibody, or both.
- (d) The number of offenders successfully referred to the local public health department, by county, and the number of parolees participating in treatment for Hepatitis C, HIV, or both after 6 months in the community, by county.

Sec. 811. The department shall provide to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a copy of the bureau of health care services quality assurance report not more than 1 week after its completion, but not later than September 30, 2008. The report shall include recommendations for quality improvements and a plan to implement those recommendations.

CORRECTIONAL FACILITIES ADMINISTRATION

Sec. 901. (1) By April 1, 2008, the department shall provide to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a plan to make all department facilities and camps tobacco-free. It is the intent of the legislature that implementation of the plan shall commence no later than September 1, 2008, and be completed within 2 months after it is commenced.

(2) By September 30, 2008, the department shall provide to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a progress report on implementation of the plan described in subsection (1). Both the plan and the progress report shall contain all of the following:

- (a) A schedule for transitioning all facilities to tobacco-free status, including identification of any facilities that are already tobacco-free.
- (b) Details on the department's efforts to provide tobacco cessation programs for prisoners and staff.
- (c) Identification of the short-term and projected long-term budgetary and program implications of converting all facilities and camps to tobacco-free status, including the effects on institutional safety and security.

Sec. 902. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a pilot children's visitation program. The pilot program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 903. Except as otherwise provided in this section, the department shall prohibit prisoners' access to or use of the Internet or any similar system. Under adequate supervision and with security precautions that ensure appropriate computer use by prisoners, the department may allow a prisoner access to or use of the Internet for the purposes of educational programming, employment training, job searches, or other Internet-based programs and services consistent with programming objectives, efficient operations, and the safety and security of the institution.

Sec. 904. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the Hepatitis B virus, shall receive a Hepatitis B vaccination upon request.

Sec. 905. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this act. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Sec. 906. (1) The department shall establish a uniform rate to be paid by public and private agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

(2) It is the intent of the legislature that to the degree consistent with public safety and the safety and security of the institutions, public works projects be continued at the level provided in 2006 PA 331 by April 1, 2008.

(3) It is the intent of the legislature that public works user fee schedules be revised to double the rates in effect as of September 30, 2007, and that upon implementation of the fee increase, the department increase wages for prisoners on public works crews by not more than 10%.

Sec. 907. The department shall report monthly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

- (a) The number of instructors and the number of instructor vacancies, by program and facility.
- (b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who fail each program, the number of prisoners who do not complete each program and the reason

for not completing the program, the number of prisoners transferred to another facility while enrolled in a program and the reason for transfer, the number of prisoners enrolled who are repeating the program by reason, and the number of prisoners on waiting lists for each program, all itemized by facility.

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

(d) The number of prisoners not paroled at their earliest release date due to lack of a GED, and the reason the prisoners do not have their GED.

(e) The number of prisoners paroled without a GED.

(f) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(g) An identification of program outcomes for each academic and vocational program.

(h) An explanation of the department's plans for academic and vocational programs.

Sec. 908. (1) By February 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2005-2006 and 2006-2007 who have a high school diploma or a GED.

(2) By February 1, 2008, the department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with statistical reports on the efficacy of both department-provided prison general education and vocational education programs in reducing offender recidivism rates. At a minimum, the report should compare the recidivism rates of the following groups of offenders:

(a) Offenders who completed a GED while in prison and participated in the MPRI.

(b) Offenders who completed a GED while in prison but did not participate in the MPRI.

(c) Offenders who completed a vocational education program while in prison and participated in the MPRI.

(d) Offenders who completed a vocational education program while in prison but did not participate in the MPRI.

Sec. 909. As a condition of expending funds appropriated for academic/vocational programs under part 1, the department shall by January 31, 2008 provide a plan to increase certification rates among prisoners enrolled in GED programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on certification rates for the most recent 5-year period, a comparison with prisoner certification rates in other states and a national average, and details on how the department plans to improve certification rates.

Sec. 910. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton correctional facility in Jackson is acknowledged and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund to produce high-quality materials for use by the visually impaired.

Sec. 911. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By February 1, 2008, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2007.

Sec. 912. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by April 1, 2008 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 913. The department shall develop and maintain a statewide waiting list for offenders referred for assessment for the assaultive offender program for parole eligibility and, if possible, shall transfer prisoners into facilities where assaultive offender programs are available in order to facilitate timely participation and completion prior to parole eligibility hearings. Nothing in this section should be deemed to make parole denial appealable in court.

Sec. 914. Funds appropriated in part 1 for transportation are appropriated for costs incurred by the department in transporting offenders. It is the intent of the legislature that costs of offender transportation be met through expenditure of the line item for transportation, and that any costs in excess of the amount expressly appropriated for transportation be met solely through transfers into that line item under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 915. Funds appropriated in part 1 for prison food service are appropriated for costs incurred by the department in providing food to prisoners, to department employees as provided by collective bargaining agreements, and to governmental agencies as provided by interagency agreements and contracts. It is the intent of the legislature that costs of prison food service be met through expenditure of the line item for prison food service, and that any costs in excess of the amount expressly appropriated for prison food service be met solely through transfers into that line item under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 916. From the funds appropriated in part 1, the department shall allocate \$100,000.00 for the acquisition of stab-proof vests, contingent on entering into a contract for the construction or manufacture of stab-proof vests.

Sec. 917. It is the intent of the legislature that the department implement evidence-based pilot programs that change offenders' behaviors, values, beliefs, and attitudes toward victims and the community.

Sec. 918. Following receipt of an auditor general performance audit on offender transportation, the department, in conjunction with the department of management and budget, shall issue a request for information on the possible bidding of all offender transportation services. State employees shall be given the opportunity to respond to a request for information on offender transportation services. Any response to the request for information shall include an explanation of how savings of at least 5% over existing costs of offender transportation would be realized.

Sec. 919. Following receipt of an auditor general performance audit on prison food service, the department, in conjunction with the department of management and budget, shall issue a request for information on the possible bidding of all prison food service. State employees shall be given the opportunity to respond to a request for information on prison food service. Any response to the request for information shall include an explanation of how savings of at least 5% over existing costs of prison food service would be realized.

Sec. 920. The department shall make every effort to operate a garden or horticultural operation at each correctional facility, where practical, in order to provide food for correctional facilities and not-for-profit organizations.

Sec. 921. Funds appropriated in part 1 for facility maintenance and repurposing are appropriated for necessary utility and security costs for the former Camp Manistique and for conducting a feasibility study on potential future uses of closed correctional facilities, camps, and prison farms located in the Upper Peninsula.

Third: 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 corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Alma Wheeler Smith
 Doug Bennett
 John Proos
 Conferees for the House

Alan L. Cropsey
 Roger Kahn
 Liz Brater
 Conferees for the Senate

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. 497

Yeas—64

Accavitti	Coulouris	Jackson	Polidori
Angerer	Cushingberry	Johnson	Proos
Bauer	Dean	Jones, Robert	Rocca
Bennett	Dillon	Lahti	Sak
Bieda	Donigan	Law, Kathleen	Scott
Brown	Ebli	LeBlanc	Sheltrown
Byrnes	Emmons	Leland	Smith, Alma
Byrum	Espinoza	Lemmons	Smith, Virgil
Calley	Farrah	Mayes	Spade
Caul	Gillard	McDowell	Tobocman
Cheeks	Gonzales	Meadows	Vagnozzi
Clack	Griffin	Meisner	Valentine
Clemente	Hammel	Melton	Ward
Condino	Hammon	Moore	Warren
Constan	Hood	Nitz	Wojno
Corriveau	Hopgood	Palsrok	Young

Nays—45

Acciavatti	Green	Lindberg	Pavlov
Agema	Hansen	Marleau	Pearce
Amos	Hildenbrand	Meekhof	Robertson
Ball	Hoogendyk	Meltzer	Schuitmaker
Booher	Horn	Miller	Shaffer
Brandenburg	Huizenga	Moolenaar	Sheen
Casperson	Hune	Moss	Simpson
Caswell	Jones, Rick	Nofs	Stahl
DeRoche	Knollenberg	Opsommer	Stakoe
Elsenheimer	LaJoy	Palmer	Steil
Gaffney	Law, David	Pastor	Walker
Garfield			

In The Chair: Sak

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

“Mr. Speaker and members of the House:

It’s a 6.4% increase. It should not pay for phone calls to home for inmates. It closes camps (\$17,000) and puts prisoners in State prisons that cost \$31,000- a net loss to the State. It also places \$56 mil for prisoner GED’s. We can’t afford this in a recession.”

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

“Mr. Speaker and members of the House:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state’s economy or its citizens. However, it will take more money out of people’s paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive out more employers, increasing unemployment and further exacerbating Michigan’s plight. We might as well put a red flashing light at the state line warning businesses not to come here.

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?”

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 4350, entitled

A bill to make appropriations for certain state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2008; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

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

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2008; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE 1

SUMMARY AND GENERAL PROVISIONS

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

HIGHER EDUCATION

APPROPRIATION SUMMARY:

Full-time equated classified positions	1.0	
GROSS APPROPRIATION.....		\$ 1,896,375,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 1,896,375,700
Federal revenues:		
Total federal revenues		7,400,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		127,200,000
State general fund/general purpose		\$ 1,761,775,700

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under this act for fiscal year 2007-2008 is \$1,888,975,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

Part-time independent student program.....	\$ 1,255,700
Michigan education opportunity grants	932,900
Michigan work-study	1,570,500
TOTAL	\$ 3,759,100

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.

ARTICLE 2

RESEARCH UNIVERSITIES

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 research universities for the fiscal year ending September 30, 2008, from the funds indicated in this part.

Sec. 102. MICHIGAN STATE UNIVERSITY

Operations.....	\$ 290,139,800
Agricultural experiment station.....	33,996,200
Cooperative extension service.....	29,322,300
GROSS APPROPRIATION.....	\$ 353,458,300
Appropriated from:	
State general fund/general purpose	\$ 353,458,300

Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR

Operations.....	\$ 323,439,900
GROSS APPROPRIATION.....	\$ 323,439,900
Appropriated from:	
State general fund/general purpose	\$ 323,439,900

Sec. 104. WAYNE STATE UNIVERSITY

Operations.....	\$ 219,046,500
GROSS APPROPRIATION.....	\$ 219,046,500
Appropriated from:	
State general fund/general purpose	\$ 219,046,500

For Fiscal Year
Ending Sept. 30,
2008

Sec. 105. SUPPLEMENTAL PAYMENT

One-time supplemental payment	\$ 81,910,800
GROSS APPROPRIATION.....	\$ 81,910,800
Appropriated from:	
State general fund/general purpose	\$ 81,910,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 203. As used in this act, “research university” means a public university classified as a “research university (very high research activity)” under the 2005 classification of institutions of higher education conducted by the Carnegie foundation for the advancement of teaching.

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this 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 and 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 value. 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. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education, except for the 1-time supplemental payment described in subsection (2), shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2007. Except for Wayne State University, each institution shall accrue its July and August 2008 payments to its institutional fiscal year ending June 30, 2008.

(2) The funds appropriated in part 1 to state institutions of higher education for the 1-time supplemental payment shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions on October 16, 2007. The payment made to each institution shall be equal to the sum of the delayed payment reduction contained in Executive Order 2007-3 and the payment delay reduction contained in section 112 of 2007 PA 17. Except for Wayne State University, each state institution of higher education shall accrue this payment to its institutional fiscal year ending June 30, 2007. Wayne State University shall accrue this payment to its institutional fiscal year ending September 30, 2007.

(3) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For universities with fiscal years ending June 30, 2007, these data shall be submitted to the state budget director by October 15, 2007. Universities with a fiscal year ending September 30, 2007 shall submit preliminary HEIDI data by November 15, 2007 and final data by December 15, 2007. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(4) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Sec. 215. A state institution of higher education that receives funds under this act shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

UNIVERSITY OPERATIONS

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each state university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A state university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university.

Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the agricultural experiment station and \$2,619,000.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

(2) The department of agriculture and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop project GREEN and its program priorities.

(3) Not later than September 30, 2008, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Sec. 434. It is the intent of the legislature that Michigan State University allocate \$80,000.00 from its appropriation in part 1 for the future farmers of America.

Sec. 436. It is the intent of the legislature that if any state university increases its resident undergraduate tuition and required fees from academic year 2006-2007 to academic year 2007-2008, then that university shall increase its fiscal year 2007-2008 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each state university shall report its proposed fiscal year 2007-2008 general fund expenditures for student financial aid compared to its projected fiscal year 2006-2007 general fund expenditures for student financial aid, and its projected academic year 2007-2008 resident undergraduate tuition and required fee changes from academic year 2006-2007, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2007.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2007-2008 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2007. A university shall report any revisions for any semester of the reported academic year 2007-2008 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 462. It is the intent of the legislature that each state university receiving an appropriation in part 1 consider developing an education program on recognizing depression and mental health disorders and preventing suicide and violence and providing that program annually to students, beginning with any freshman orientation.

Sec. 463. Not later than February 1, 2008, each of the state universities receiving appropriations in part 1 shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2006-2007 academic year to the 2007-2008 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Sec. 464. Each state university receiving an appropriation in part 1 shall submit a plan by January 15, 2008 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially.

Sec. 466. It is the intent of the legislature that the state universities coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the state universities shall use both the "Michigan delivering extended agreements locally" (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state's membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the state universities in the previous fiscal year.

Sec. 467. It is the intent of the legislature to establish performance standards for the research universities receiving appropriations in part 1.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS

Sec. 501. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program, that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 502. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each state university shall include a budget of equal contributions from this program, the participating state university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth.

Sec. 505. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the Michigan department of labor and economic growth.

STUDENT PERFORMANCE REPORTING

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

Sec. 603. It is the intent of the legislature that the state universities work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the state universities.

GENERAL REPORTS AND AUDITS

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all state universities and may perform audits of selected state universities if determined necessary. The

review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2008.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the institution's in-state main campus resident tuition rate.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.

(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

(4) "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

Sec. 701a. (1) Pursuant to section 501(2)(e), the institutions of higher education receiving appropriations in part 1 may establish the following degree programs:

(a) Bachelor's degree programs:

Michigan State University, Residential College in the Arts and Humanities, B.A.

Wayne State University, Radiologic Technology, B.S.

(b) Master's degree programs:

University of Michigan – Ann Arbor, Clinical Research, M.S.

University of Michigan – Ann Arbor, Master of Supply Chain Management

Wayne State University, Joint-Library and Information Science and History, M.A.

(c) Doctoral degree programs:

Michigan State University, Quantitative Biology Dual Major, Ph.D.

Wayne State University, Business Administration, Ph.D.

Wayne State University, Joint Pharm.D/Ph.D., Pharm.D, Ph.D.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 501(2)(e) in fiscal years after 2007-2008, the presidents council of state universities shall also provide a listing of degree programs that these institutions of higher education will no longer offer in subsequent academic years.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution's report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2008 as the auditor general considers necessary.

Sec. 709. An institution of higher education receiving funds under this act and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to

the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Sec. 714. It is the intent of the legislature that an institution receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC section 1232g, 34 CFR part 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

ARTICLE 3

STATE UNIVERSITIES

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 state universities for the fiscal year ending September 30, 2008, from the funds indicated in this part.

Sec. 102. CENTRAL MICHIGAN UNIVERSITY

Operations.....	\$ 81,941,100
GROSS APPROPRIATION.....	\$ 81,941,100
Appropriated from:	
State general fund/general purpose	\$ 81,941,100

Sec. 103. EASTERN MICHIGAN UNIVERSITY

Operations.....	\$ 77,774,100
GROSS APPROPRIATION.....	\$ 77,774,100
Appropriated from:	
State general fund/general purpose	\$ 77,774,100

Sec. 104. FERRIS STATE UNIVERSITY

Operations.....	\$ 49,730,800
GROSS APPROPRIATION.....	\$ 49,730,800
Appropriated from:	
State general fund/general purpose	\$ 49,730,800

Sec. 105. GRAND VALLEY STATE UNIVERSITY

Operations.....	\$ 63,387,500
GROSS APPROPRIATION.....	\$ 63,387,500
Appropriated from:	
State general fund/general purpose	\$ 63,387,500

Sec. 106. LAKE SUPERIOR STATE UNIVERSITY

Operations.....	\$ 12,981,900
GROSS APPROPRIATION.....	\$ 12,981,900
Appropriated from:	
State general fund/general purpose	\$ 12,981,900

Sec. 107. MICHIGAN TECHNOLOGICAL UNIVERSITY

Operations.....	\$ 49,028,200
GROSS APPROPRIATION.....	\$ 49,028,200
Appropriated from:	
State general fund/general purpose	\$ 49,028,200

Sec. 108. NORTHERN MICHIGAN UNIVERSITY

Operations.....	\$ 46,171,500
GROSS APPROPRIATION.....	\$ 46,171,500
Appropriated from:	
State general fund/general purpose	\$ 46,171,500

Sec. 109. OAKLAND UNIVERSITY

Operations.....	\$ 51,932,900
GROSS APPROPRIATION.....	\$ 51,932,900
Appropriated from:	
State general fund/general purpose	\$ 51,932,900

Sec. 110. SAGINAW VALLEY STATE UNIVERSITY

Operations.....	\$ 28,356,200
GROSS APPROPRIATION.....	\$ 28,356,200
Appropriated from:	
State general fund/general purpose	\$ 28,356,200

For Fiscal Year
Ending Sept. 30,
2008

Sec. 111. UNIVERSITY OF MICHIGAN - DEARBORN	
Operations.....	\$ 25,295,000
GROSS APPROPRIATION.....	\$ 25,295,000
Appropriated from:	
State general fund/general purpose	\$ 25,295,000
Sec. 112. UNIVERSITY OF MICHIGAN - FLINT	
Operations.....	\$ 21,379,900
GROSS APPROPRIATION.....	\$ 21,379,900
Appropriated from:	
State general fund/general purpose	\$ 21,379,900
Sec. 113. WESTERN MICHIGAN UNIVERSITY	
Operations.....	\$ 112,122,000
GROSS APPROPRIATION.....	\$ 112,122,000
Appropriated from:	
State general fund/general purpose	\$ 112,122,000
Sec. 114. SUPPLEMENTAL PAYMENT	
One-time supplemental payment	\$ 56,825,200
GROSS APPROPRIATION.....	\$ 56,825,200
Appropriated from:	
State general fund/general purpose	\$ 56,825,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this 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 and 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 value. 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. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education, except for the 1-time supplemental payment described in subsection (2), shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2007. Each institution shall accrue its July and August 2008 payments to its institutional fiscal year ending June 30, 2008.

(2) The funds appropriated in part 1 to state institutions of higher education for the 1-time supplemental payment shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions on October 16, 2007. The payment made to each institution shall be equal to the sum of the delayed payment reduction contained in Executive Order 2007-3 and the payment delay reduction contained in section 112 of 2007 PA 17. Each state institution of higher education shall accrue this payment to its institutional fiscal year ending June 30, 2007.

(3) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director by October 15, 2007. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(4) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Sec. 215. A state institution of higher education that receives funds under this act shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

UNIVERSITY OPERATIONS

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each state university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A state university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university.

Sec. 436. It is the intent of the legislature that if any state university increases its resident undergraduate tuition and required fees from academic year 2006-2007 to academic year 2007-2008, then that university shall increase its fiscal year 2007-2008 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each state university shall report its proposed fiscal year 2007-2008 general fund expenditures for student financial aid compared to its projected fiscal year 2006-2007 general fund expenditures for student financial aid, and its projected academic year 2007-2008 resident undergraduate tuition and required fee changes from academic year 2006-2007, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2007.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2007-2008 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2007. A university shall report any revisions for any semester of the reported academic year 2007-2008 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 450. (1) For the fiscal year ending September 30, 2008, it is the intent of the legislature that an amount calculated under subsection (2) be allocated for per-student floor funding from the general fund/general purpose unreserved balances at the close of the 2006-2007 fiscal year.

(2) The amount allocated under subsection (1) for per-student floor funding is equal to \$3,775.00 per 2005-2006 fiscal-year-equated student at each university. The number of 2005-2006 students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Sec. 461. From the amount appropriated in part 1 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 462. It is the intent of the legislature that each state university receiving an appropriation in part 1 consider developing an education program on recognizing depression and mental health disorders and preventing suicide and violence and providing that program annually to students, beginning with any freshman orientation.

Sec. 463. Not later than February 1, 2008, each of the state universities receiving appropriations in part 1 shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2006-2007 academic year to the 2007-2008 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Sec. 464. Each state university receiving an appropriation in part 1 shall submit a plan by January 15, 2008 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially.

Sec. 466. It is the intent of the legislature that the state universities coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the state universities shall

use both the “Michigan delivering extended agreements locally” (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state’s membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the state universities in the previous fiscal year.

Sec. 467. It is the intent of the legislature to establish performance standards for the state universities receiving appropriations in part 1.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS

Sec. 501. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program, that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 502. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each state university shall include a budget of equal contributions from this program, the participating state university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth.

Sec. 505. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the Michigan department of labor and economic growth.

STUDENT PERFORMANCE REPORTING

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

Sec. 603. It is the intent of the legislature that the state universities work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the state universities.

GENERAL REPORTS AND AUDITS

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all state universities and may perform audits of selected state universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2008.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the institution's in-state main campus resident tuition rate.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.

(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

(4) "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

Sec. 701a. (1) Pursuant to section 701(2)(e), state universities may establish the following degree programs:

(a) Bachelor's degree programs:

Central Michigan University, Integrated Science, B.S. in Ed.

Central Michigan University, Law and Economics, B.A., B.S., B.S. in B.A.

Central Michigan University, Meteorology, B.S.

Eastern Michigan University, Cross Disciplinary Studies, B.A./B.S.

Eastern Michigan University, Information Assurance, B.A./B.S.

Eastern Michigan University, Supply Chain Management, B.B.A.

Grand Valley State University, Chinese Studies Major, B.A.

Lake Superior State University, Physical Science: Teaching, B.S.

Lake Superior State University, School of Education, B. Ed.

University of Michigan – Flint, Biochemistry, B.S.

University of Michigan - Flint, Theatre Design and Technology, B.S.

University of Michigan – Flint, Visual Communication, B.F.A.

(b) Master's degree programs:

Eastern Michigan University, Integrated Marketing Communications, M.S.

Oakland University, Safety Management, M.S.

University of Michigan - Dearborn, Master of Science in Management Information Systems, M.S.

University of Michigan - Flint, English, M.A.

(c) Doctoral degree programs:

Michigan Technological University, Atmospheric Sciences, Ph.D.

Oakland University, Doctor of Nursing Practice, D.N.P.

Oakland University, Music Education, Ph.D.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e) in fiscal years after 2007-2008, the presidents council of state universities shall also provide a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution's report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2008 as the auditor general considers necessary.

Sec. 709. An institution of higher education receiving funds under this act and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Sec. 714. It is the intent of the legislature that an institution receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC section 1232g, 34 CFR part 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

ARTICLE 4
STATE AND REGIONAL PROGRAMS, GRANTS, AND FINANCIAL AID
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this article are appropriated for certain state purposes related to education for the fiscal year ending September 30, 2008, from the funds indicated in this part.

Sec. 102. STATE AND REGIONAL PROGRAMS

Full-time equated position	1.0	
Higher education database modernization and conversion—1.0 FTE positions		\$ 200,000
Midwestern higher education compact		90,000
GROSS APPROPRIATION		<u>\$ 290,000</u>
Appropriated from:		
State general fund/general purpose		\$ 290,000

Sec. 103. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS

PROGRAM

Select student supportive services		\$ 1,956,100
Michigan college/university partnership program		586,800
Morris Hood, Jr. educator development program		148,600
GROSS APPROPRIATION		<u>\$ 2,691,500</u>
Appropriated from:		
State general fund/general purpose		\$ 2,691,500

Sec. 104. GRANTS AND FINANCIAL AID

State competitive scholarships		\$ 35,530,500
Tuition grants		56,668,100
Michigan work-study program		7,326,300
Part-time independent student program		2,653,300
Michigan education opportunity grants		2,084,200
Robert C. Byrd honors scholarship program		1,500,000
Nursing scholarship and grant programs		4,250,000
Michigan merit award program		60,000,000
Michigan promise grant program		43,500,000
Tuition incentive program		21,100,000
Children of veterans tuition grant program		1,000,000
Project gear-up		3,000,000
GROSS APPROPRIATION		<u>\$ 238,612,400</u>

Appropriated from:

Federal revenues:		
Higher education act of 1965, title IV, 20 USC		2,900,000
Higher education act of 1965, title IV, part A		1,500,000
United States department of education, office of elementary and secondary education, gear-up ..		3,000,000
Special revenue funds:		
Michigan merit award trust fund		123,600,000
Michigan higher education assistance authority operating fund		1,200,000
Tuition grant carryforward		1,400,000
Contributions to children of veterans tuition grant program		1,000,000
State general fund/general purpose		<u>\$ 104,012,400</u>

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GRANTS AND FINANCIAL AID

Sec. 301. (1) Payments of the amounts included in part 1 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) The Michigan higher education assistance authority shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(4) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(5) Students who receive aid under 1964 PA 208, MCL 390.971 to 390.981, shall be awarded scholarships on the basis of merit and financial need. Veterans administration benefits shall not be considered in determining eligibility under 1964 PA 208, MCL 390.971 to 390.981.

Sec. 302. (1) The amounts appropriated in part 1 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents who apply before July 1, 2007 and who are qualified. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-1996 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student, which shall be no less than \$2,100.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the authority determines that insufficient funds are available to establish a maximum award amount of \$2,100.00, the authority shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director, regarding the estimated amount of additional funds necessary to establish a \$2,100.00 maximum award amount. By December 15, 2007, and again by February 1, 2008, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2008. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2008 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2008, but shall continue to be available for expenditure for tuition grants provided in the 2008-2009 fiscal year under a work project account. The use of these unexpended fiscal year 2007-2008 funds shall terminate at the end of the 2008-2009 fiscal year.

(5) The Michigan higher education assistance authority shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2007-2008.

Sec. 303. (1) Included in the appropriation in part 1 is funding for the Michigan work-study program established under 1986 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An effort should be made by each institution participating in the Michigan work-study program to assure that not less than 10% of those undergraduate, graduate, and professional students eligible to participate in the program are placed with for-profit employers no later than December 31 of each year for which funding is provided under this act.

(2) The Michigan higher education assistance authority shall allocate funds to institutions eligible for work-study money based upon each institution's specific Pell grant index and each institution's utilization rate of work-study funds for the 3 most recent years for which statistics are available.

(3) The Michigan higher education assistance authority shall set aside not more than 5% of the total work-study appropriation to process requests from participating institutions for allocation adjustments. Allocation adjustments shall be based on criteria set by the authority prior to making the allocations under subsection (2).

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2008.

Sec. 308. The sums appropriated in part 1 for the student financial aid programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, nursing scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

(b) For the work-study program, payments shall be made in 11 monthly installments from October 1 to August 31 of any year.

(c) For the part-time independent student program and the Michigan education opportunity grant program, 50% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, and 25% at the beginning of the state's third fiscal quarter.

(d) For the Robert C. Byrd honors scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter.

Sec. 309. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the state competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(3) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, a person shall meet all of the following criteria:

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(v) Request information on filing a FAFSA.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, a person must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that potentially eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

Sec. 311. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Sec. 312. From the funds appropriated in part 1 for nursing scholarship and grant programs, the Michigan higher education assistance authority shall administer any nursing scholarship or nursing school grant programs authorized under the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

Sec. 314. By December 1 of each year, the Michigan higher education assistance authority shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on the children of veterans tuition grant program. The report shall include, but is not limited to, the total number of tuition grants paid by the authority in the preceding fiscal year, the total dollar amount of those tuition grants, and the number of students receiving tuition grants and the total amount of those tuition grants at each eligible institution.

STATE AND REGIONAL PROGRAMS

Sec. 405. The funds appropriated in part 1 for higher education database modernization and conversion shall be expended to maintain, coordinate, and improve the higher education institutional data inventory (HEIDI) established under section 1299 of the management and budget act, 1984 PA 431, MCL 18.1299. The advisory committee established under that section shall meet regularly to review data definitions and requirements in order to advise the state budget director regarding changes to those definitions and requirements that would result in more useful and reliable data being provided to state policymakers and university officials.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year state and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the Michigan department of labor and economic growth.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year state and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

(2) The grants shall be made under the program described in this section to Michigan state and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the Michigan department of labor and economic growth.

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of labor and economic growth.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program described in this section.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2008 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

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 institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2008; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Pam Byrnes
George Cushingberry, Jr.
Daniel Acciavatti
Conferees for the House

Tony Stamas
Thomas M. George
Jim Barcia
Conferees for the Senate

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. 498

Yeas—87

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

Nays—22

Agema	Green	Nofs	Schuitmaker
Caswell	Hildenbrand	Pastor	Sheen

DeRoche
Elsenheimer
Emmons
Garfield

Hoogendyk
Hune
Meltzer
Nitz

Pavlov
Pearce
Proos

Stahl
Steil
Walker

In The Chair: Sak

Rep. Schuitmaker, having reserved the right to explain her nay vote, made the following statement:

“Mr. Speaker and members of the House:

I remain concerned to creating a two tier system in funding for research universities when WMU and other state universities have proven to demonstrate themselves as national leaders in several areas of research.”

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

“Mr. Speaker and members of the House:

I voted no on this budget because it failed to address several very important issues. First of all, I introduced legislation earlier this term to end free college education for Native Americans. Such an antiquated law only serves as an onerous drag on an economy that already is facing serious funding issues for higher education.

Second, I could not possibly support a higher education bill that allows for funding of same sex partner benefits by our institutions of higher learning. A state constitutional amendment already addresses this issue, yet we still continue to allow taxpayer dollars to fund a social anomaly that Michigan voters have already voiced their opposition to.

Last, I had introduced an amendment previously that does not allow illegal aliens to receive in-state tuition. Besides the fact that federal law prohibits such a practice, it is unconscionable that we ask taxpayers to fund the education of illegal aliens who are clearly violating our laws. We should not extend such a privilege when American citizens from other states cannot get in state tuition.”

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

“Mr. Speaker and members of the House:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state’s economy or its citizens. However, it will take more money out of people’s paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive out more employers, increasing unemployment and further exacerbating Michigan’s plight. We might as well put a red flashing light at the state line warning businesses not to come here.

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?”

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 4354, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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 natural resources 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 NATURAL RESOURCES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	2,082.9	
GROSS APPROPRIATION		\$ 289,195,400
Interdepartmental grant revenues:		
IDG, engineering services to work orders		1,972,100
IDG, MacMullan conference center revenue		1,419,200
IDG, land acquisition services to work orders		417,000
Total interdepartmental grants and intradepartmental transfers		3,808,300
ADJUSTED GROSS APPROPRIATION		\$ 285,387,100
Federal revenues:		
DAG, federal		14,344,000
DOC, federal.....		71,400
DOE, federal.....		1,000
DOI, federal.....		25,260,100
DHS, USCG.....		5,905,600
DOT, federal		2,100,000
EPA, federal.....		286,800
Total federal revenues		47,968,900
Special revenue funds:		
Private funds		3,166,500
Total private revenues		3,166,500
Air photo fees - geographic information system		26,300
Aircraft fees		257,300
Cervidae licensing and inspection fees.....		165,000
Clean Michigan initiative fund.....		57,600
Commercial forest fund		48,500
Forest recreation fund		1,459,000
Forest development fund.....		27,316,800
Forestland user charges		563,400
Game and fish protection fund		66,797,600
Game and fish protection fund - fisheries settlement		905,500
Game and fish protection fund - deer habitat reserve.....		3,039,900
Game and fish protection fund - turkey permit fees		1,837,700
Game and fish protection fund - waterfowl fees		108,900
Game and fish - wildlife resource protection fund.....		1,653,600
Game and fish protection fund - youth hunting and fishing education and outreach		28,400
Harbor development fund.....		299,400
Land exchange facilitation fund		6,166,400
Marine safety fund.....		4,771,700
Michigan civilian conservation corps endowment fund.....		525,000
Michigan state parks endowment fund		13,816,600
Michigan state waterways fund		16,504,100
Michigan natural resources trust fund		3,065,200
Nongame wildlife fund		704,800

	For Fiscal Year Ending Sept. 30, 2008
Off-road vehicle trail improvement fund.....	4,701,600
Park improvement fund.....	41,367,500
Publication revenue.....	500
Recreation improvement fund.....	1,476,500
Safety education fund.....	217,300
Shop fees.....	65,900
Snowmobile registration fee revenue.....	2,273,400
Snowmobile trail improvement fund.....	10,030,100
Sportsmen against hunger fund.....	257,000
Total other state restricted revenues.....	210,508,500
State general fund/general purpose.....	\$ 23,743,200
Sec. 102. EXECUTIVE	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	45.6
Commission (including travel expense—per diem).....	\$ 91,300
Unclassified salaries.....	416,500
Communications—33.6 FTE positions.....	3,378,200
Executive direction—12.0 FTE positions.....	2,099,500
GROSS APPROPRIATION.....	\$ 5,985,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MacMullan conference center revenue.....	6,100
Special revenue funds:	
Aircraft fees.....	500
Forest development fund.....	301,100
Forestland user charges.....	6,500
Forest recreation fund.....	28,000
Game and fish protection fund.....	2,040,500
Game and fish protection fund - deer habitat reserve.....	38,000
Game and fish protection fund - turkey permit fees.....	16,200
Game and fish protection fund - waterfowl fees.....	900
Game and fish - wildlife resource protection fund.....	15,600
Game and fish protection fund - youth hunting and fishing education and outreach.....	28,400
Harbor development fund.....	600
Land exchange facilitation fund.....	65,100
Marine safety fund.....	29,900
Michigan natural resources trust fund.....	33,000
Michigan state parks endowment fund.....	134,100
Michigan state waterways fund.....	288,100
Nongame wildlife fund.....	11,300
Off-road vehicle trail improvement fund.....	24,200
Park improvement fund.....	2,214,900
Publications revenue.....	500
Recreation improvement fund.....	13,300
Snowmobile registration fee revenue.....	4,400
Snowmobile trail improvement fund.....	47,400
State general fund/general purpose.....	\$ 636,900
Sec. 103. ADMINISTRATIVE SERVICES	
Full-time equated classified positions.....	80.0
Budget and support services—10.0 FTE positions.....	\$ 1,034,600
Financial services—27.0 FTE positions.....	2,560,900
Grants administration—15.0 FTE positions.....	1,356,000
Human resources—20.0 FTE positions.....	2,137,700
Human resources optimization user charges.....	163,000
Internal audit—8.0 FTE positions.....	867,000
GROSS APPROPRIATION.....	\$ 8,119,200

For Fiscal Year
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Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DOI, federal	315,600
Special revenue funds:	
Clean Michigan initiative fund.....	57,600
Commercial forest fund	1,000
Forest development fund.....	1,113,700
Forestland user charges	1,000
Forest recreation fund	77,100
Game and fish protection fund.....	1,666,000
Game and fish protection fund - deer habitat reserve.....	66,400
Game and fish protection fund - turkey permit fees.....	33,700
Game and fish protection fund - waterfowl fees	4,600
Game and fish - wildlife resource protection fund.....	35,000
Harbor development fund.....	7,200
Land exchange facilitation fund.....	77,500
Marine safety fund.....	173,300
Michigan natural resources trust fund.....	754,100
Michigan state parks endowment fund	360,400
Michigan state waterways fund.....	482,800
Nongame wildlife fund	23,900
Off-road vehicle trail improvement fund.....	70,600
Park improvement fund.....	1,375,900
Recreation improvement fund	21,000
Safety education fund	6,600
Snowmobile registration fee revenue	79,000
Snowmobile trail improvement fund.....	246,800
State general fund/general purpose	\$ 1,068,400
Sec. 104. LAND AND FACILITIES	
Full-time equated classified positions	134
Land and facilities—134.2 FTE positions	\$ 20,310,600
GROSS APPROPRIATION.....	\$ 20,310,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MacMullan conference center revenue	1,413,100
IDG, engineering services to work orders.....	1,972,100
IDG, land acquisition services to work orders	417,000
Special revenue funds:	
Forest development fund.....	1,903,300
Forestland user charges	13,600
Forest recreation fund	11,000
Game and fish protection fund.....	6,912,600
Game and fish protection fund - deer habitat reserve.....	117,900
Game and fish protection fund - turkey permit fees.....	37,600
Game and fish - wildlife resource protection fund.....	10,400
Land exchange facilitation fund.....	5,907,900
Marine safety fund.....	75,700
Michigan natural resources trust fund	5,900
Michigan state parks endowment fund	132,600
Michigan state waterways fund.....	266,100
Park improvement fund.....	504,200
Off-road vehicle trail improvement fund.....	24,100
Snowmobile trail improvement fund.....	123,800
State general fund/general purpose	\$ 461,700
Sec. 105. DEPARTMENTAL OPERATION SUPPORT	
Building occupancy charges.....	\$ 2,135,700
Rent - privately owned property	565,000

For Fiscal Year
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2008

Gifts and bequests.....		500,000
GROSS APPROPRIATION.....	\$	3,200,700
Appropriated from:		
Special revenue funds:		
Private funds.....		500,000
Forest development fund.....		651,100
Forest recreation fund.....		20,900
Game and fish protection fund.....		952,400
Game and fish protection fund - deer habitat reserve.....		21,300
Game and fish protection fund - turkey permit fees.....		20,400
Game and fish - wildlife resource protection fund.....		7,600
Land exchange facilitation fund.....		13,200
Marine safety fund.....		34,900
Michigan state parks endowment fund.....		245,400
Michigan state waterways fund.....		151,600
Michigan natural resources trust fund.....		43,000
Snowmobile trail improvement fund.....		22,300
Park improvement fund.....		341,600
State general fund/general purpose.....	\$	175,000
Sec. 106. WILDLIFE MANAGEMENT		
Full-time equated classified positions.....	195.7	
Wildlife management—186.7 FTE positions.....	\$	27,630,000
Natural resources heritage—9.0 FTE positions.....		1,324,700
State game and wildlife area maintenance.....		500,000
GROSS APPROPRIATION.....	\$	29,454,700
Appropriated from:		
Federal revenues:		
DAG, federal.....		206,000
DOI, federal.....		10,957,100
EPA, federal.....		1,000
Special revenue funds:		
Private funds.....		114,400
Cervidae licensing and inspection fees.....		101,300
Forest development fund.....		63,300
Game and fish protection fund.....		10,653,600
Game and fish protection fund - deer habitat reserve.....		2,723,300
Game and fish protection fund - turkey permit fees.....		1,665,500
Game and fish protection fund - waterfowl fees.....		103,400
Nongame wildlife fund.....		633,800
Sportsmen against hunger fund.....		257,000
State general fund/general purpose.....	\$	1,975,000
Sec. 107. FISHERIES MANAGEMENT		
Full-time equated classified positions.....	225.0	
Aquatic resource mitigation—3.0 FTE positions.....	\$	906,500
Fisheries resource management—160.0 FTE positions.....		20,094,000
Fish production—62.0 FTE positions.....		8,664,400
GROSS APPROPRIATION.....	\$	29,664,900
Appropriated from:		
Federal revenues:		
DAG, federal.....		134,200
DOE, federal.....		1,000
DOC, federal.....		53,300
DOI, federal.....		9,392,600
EPA, federal.....		165,000
Special revenue funds:		
Private funds.....		116,300

	For Fiscal Year Ending Sept. 30, 2008
Game and fish protection fund - fisheries settlement	905,500
Game and fish protection fund	18,897,000
State general fund/general purpose	\$ 0
Sec. 108. PARKS AND RECREATION	
Full-time equated classified positions	794.9
State parks—628.4 FTE positions	\$ 46,981,200
State park improvement revenue bonds - debt service	1,127,800
Recreational boating—163.5 FTE positions	14,448,500
Michigan civilian conservation corps—3.0 FTE positions	500,000
GROSS APPROPRIATION	\$ 63,057,500
Appropriated from:	
Federal revenues:	
EPA, federal	119,800
Special revenue funds:	
Private funds	362,500
Harbor development fund	285,000
Michigan civilian conservation corps endowment fund	500,000
Michigan state parks endowment fund	12,032,500
Michigan state waterways fund	14,163,500
Off-road vehicle trail improvement fund	242,200
Park improvement fund	35,352,000
State general fund/general purpose	\$ 0
Sec. 109. FOREST, MINERAL, AND FIRE MANAGEMENT	
Full-time equated classified positions	340.0
Forest and timber treatments—120.0 FTE positions	\$ 14,165,200
Forest management planning—18.0 FTE positions	3,996,600
Adopt-a-forest program	25,000
Wildfire protection—130.0 FTE positions	10,503,900
Forest recreation and trails—35.0 FTE positions	4,946,200
Minerals management—17.3 FTE positions	2,515,700
Cooperative resource programs—10.5 FTE positions	2,521,500
Forest management initiative—9.2 FTE positions	862,900
Forest fire equipment	100,000
GROSS APPROPRIATION	\$ 39,637,000
Appropriated from:	
Federal revenues:	
DAG, federal	2,378,800
DOI, federal	2,000
EPA, federal	1,000
Special revenue funds:	
Private funds	923,300
Aircraft fees	256,800
Air photo fees - geographic information system	26,300
Commercial forest fund	47,500
Forest recreation fund	1,211,500
Forest development fund	21,829,000
Forestland user charges	526,200
Game and fish protection fund	1,702,200
Michigan state waterways fund	385,100
Michigan natural resources trust fund	1,243,100
Michigan state parks endowment fund	563,800
Off-road vehicle trail improvement fund	661,500
Recreation improvement fund	322,400
Shop fees	65,900
Snowmobile trail improvement fund	2,212,700
State general fund/general purpose	\$ 5,277,900

For Fiscal Year
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Sec. 110. LAW ENFORCEMENT

Full-time equated classified positions	267.5	
General law enforcement—267.5 FTE positions		\$ 32,042,600
GROSS APPROPRIATION		\$ <u>32,042,600</u>
Appropriated from:		
Federal revenues:		
DOC, federal.....		18,100
DOI, federal.....		1,475,900
DHS, USCG.....		4,435,600
Special revenue funds:		
Cervidae licensing and inspection fees.....		63,700
Forest recreation fund		59,700
Game and fish - wildlife resource protection fund		1,529,700
Game and fish protection fund.....		18,963,200
Marine safety fund.....		1,579,800
Off-road vehicle trail improvement fund.....		1,225,000
Safety education fund		60,700
Park improvement fund.....		59,700
Snowmobile registration fee revenue		1,018,300
State general fund/general purpose		\$ 1,553,200

Sec. 111. PAYMENTS IN LIEU OF TAXES

Swamp and tax reverted lands.....		\$ 7,071,500
Purchased lands		4,450,000
Commercial forest reserve		2,662,600
GROSS APPROPRIATION		\$ <u>14,184,100</u>
Appropriated from:		
Special revenue funds:		
Game and fish protection fund.....		1,715,000
Michigan natural resources trust fund		500,000
Michigan state waterways fund.....		135,000
State general fund/general purpose		\$ 11,834,100

Sec. 112. GRANTS

Grant to counties—marine safety.....		\$ 4,275,000
Accessibility grants.....		1,000,000
Federal - land and water conservation fund payments.....		2,566,900
Federal - forest stewardship grants		4,125,000
Federal - urban forestry grants		4,000,000
Federal - rural community fire protection		300,000
Federal - clean vessel act grants		400,000
Grants to communities - federal oil, gas, and timber payments.....		3,450,000
Recreation improvement fund grants.....		1,100,000
Snowmobile local grants program.....		7,314,000
Snowmobile law enforcement grants.....		1,142,000
Off-road vehicle safety training grants.....		150,000
Off-road vehicle trail improvement grants		2,454,000
National recreational trails		2,150,000
Game and nongame wildlife fund grants.....		10,000
Inland fisheries resources grants		200,000
GROSS APPROPRIATION		\$ <u>34,636,900</u>
Appropriated from:		
Federal revenues:		
DAG, federal		11,625,000
DHS, USCG.....		1,470,000
DOI, federal.....		3,116,900
DOT, federal		2,100,000
Special revenue funds:		
Private funds.....		1,150,000
Game and fish protection fund.....		200,000

	For Fiscal Year Ending Sept. 30, 2008
Marine safety fund.....	2,805,000
Nongame wildlife fund	10,000
Off-road vehicle trail improvement fund.....	2,454,000
Recreation improvement fund	1,100,000
Safety education fund	150,000
Snowmobile registration fee revenue	1,142,000
Snowmobile trail improvement fund	7,314,000
State general fund/general purpose	\$ 0
Sec. 113. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 8,901,700
GROSS APPROPRIATION.....	\$ 8,901,700
Appropriated from:	
Interdepartmental grant revenues:	
Special revenue funds:	
Forest development fund.....	1,455,300
Forestland user charges	16,100
Forest recreation fund	50,800
Game and fish protection fund	3,095,100
Game and fish protection fund - deer habitat reserve.....	73,000
Game and fish protection fund - turkey permit fees	64,300
Game and fish - wildlife resource protection fund	55,300
Harbor development fund.....	6,600
Land exchange facilitation fund	102,700
Marine safety fund.....	73,100
Michigan civilian conservation corps endowment fund.....	25,000
Michigan natural resources trust fund	486,100
Michigan state parks endowment fund	347,800
Michigan state waterways fund	631,900
Nongame wildlife fund	25,800
Park improvement fund.....	1,519,200
Recreation improvement fund	19,800
Snowmobile registration fee revenue	29,700
Snowmobile trail improvement fund	63,100
State general fund/general purpose	\$ 761,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2007-2008 is \$234,251,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$19,241,100.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES

PAYMENTS IN LIEU OF TAXES

Commercial forest reserves.....	\$ 2,662,600
Purchased lands	4,450,000
Swamp and tax reverted lands.....	7,071,500

GRANTS

Grants to counties - marine safety.....	\$ 2,805,000
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants	450,000
Recreation improvement fund grants.....	110,000
Snowmobile law enforcement grants.....	1,142,000
Snowmobile local grants program.....	400,000
TOTAL	\$ 19,241,100

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) "Commission" means the commission of natural resources.
- (b) "DAG" means the United States department of agriculture.
- (c) "Department" means the department of natural resources.
- (d) "DHS" means the United States department of homeland security.
- (e) "DOC" means the United States department of commerce.
- (f) "DOE" means the United States department of energy.
- (g) "DOI" means the United States department of interior.
- (h) "DOT" means the United States department of transportation.
- (i) "EPA" means the United States environmental protection agency.
- (j) "FTE" means full-time equated.
- (k) "IDG" means interdepartmental grant.

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

Sec. 205. (1) 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 standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exceptions.

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement can be met if reports are transmitted 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. 207. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2007 and September 30, 2008.

Sec. 208. (1) From the funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant, loan, or grant and loan programs administered by the department for the fiscal year ending on September 30, 2008:

- (a) The name of each program.
- (b) The goals, criteria, filing fees, nominating procedures, eligibility requirements, processes, and deadlines for each program.
- (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
- (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
- (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
- (f) The source of funds for each program, including the citation of pertinent authorizing acts.
- (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
- (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan during the fiscal year ending September 30, 2007.

(2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2008.

Sec. 209. Appropriations of state-restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation acts. The amounts appropriated to these departments and agencies are listed below:

Department of civil service	\$ 409,100
History, arts, and libraries.....	3,700
Legislative auditor general.....	21,400
Attorney general	767,800
Department of management and budget	278,600
Department of treasury.....	11,700

Sec. 210. Before January 31, 2008, the department, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and

the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2006-2007, including the county and municipality in which each project is located.

Sec. 211. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, \$6,000,000.00 for the fiscal year ending September 30, 2008.

Sec. 212. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 213. 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. 214. (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 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 house and senate 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. 215. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods 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. 216. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities and in Lake County 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 deprived and depressed communities for services, supplies, or both.

Sec. 217. The department shall not take disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

Sec. 218. (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. 219. 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. 220. The department shall develop a plan for allocating restricted funds among department administrative support and regulatory activities. This plan shall be submitted to the house and senate appropriations subcommittees on natural resources by January 30, 2008. This plan shall include a cost allocation plan for financial services support, office space rent and building occupancy charges, and support division service for information systems and technology and a methodology to use information generated through activity reports that identifies the percentage of employee time spent on restricted fund activities.

Sec. 222. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for federal contingency 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. 223. (1) The department and the legislature shall create a workgroup to develop recommendations for long-term funding for the department. The recommendations shall be submitted to the senate and house appropriations committees by September 30, 2008.

(2) The workgroup shall consist of 7 members, appointed as follows:

(a) Two members of the senate appointed by the senate majority leader, 1 of whom shall be the chair of the appropriations subcommittee on natural resources.

(b) Two members of the house appointed by the speaker of the house, 1 of whom shall be the chair of the appropriations subcommittee on natural resources.

(c) The director of the department.

(d) Two members appointed by the governor, 1 of whom shall be a member of the natural resources commission and 1 of whom shall be a member of the citizens committee for Michigan state parks.

(3) The chairs of the appropriation subcommittees shall serve as cochairs of the workgroup.

Sec. 224. It is the intent of the legislature that revenue shortfalls in state restricted funds appropriated in part 1 shall be addressed by January 15, 2008.

ADMINISTRATIVE SERVICES

Sec. 401. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2008, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 402. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2008, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 403. The department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director at a rate which allows the department to recover its costs for providing these services.

Sec. 404. The department shall prominently display in a prominent place in the fishing guide provided to each licensed fisher and paid for from the funds appropriated in part 1, the website address for the department of community health. In addition, the fishing guide shall include information on alternative sources where interested parties without Internet access may find information on fish advisories issued by the department of community health.

Sec. 405. Within 21 days after the end of the fiscal year ending September 30, 2008, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the commission in the previous fiscal year. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

WILDLIFE MANAGEMENT

Sec. 501. It is the intent of the legislature that, from the funds appropriated in part 1, the department shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves, coyotes, or cougars under the animal industry act, 1988 PA 466, MCL 287.701 to 287.745.

Sec. 502. From the funds appropriated in part 1, the department shall submit quarterly reports to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies that provide detail about enforcement actions taken to eradicate bovine TB, the number of infected deer found, new science it is working on to detect bovine TB, and other relevant information about the department's efforts to address the presence of bovine TB in the state.

FISHERIES MANAGEMENT

Sec. 601. As a condition of expenditure of fisheries management appropriations under part 1, the department shall not impede the certification process for water control structures on Michigan waterways. The department shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under the federal water pollution control act, 33 USC 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

Sec. 602. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division of the department shall develop priority and cost estimates for all recommended projects.

Sec. 603. From the funds appropriated in part 1 for fish production and fisheries resource management, the department shall continue to operate the 6 hatcheries that were operational on September 30, 2007.

PARKS AND RECREATION

Sec. 701. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed \$10,000,000.00 for the fiscal year ending September 30, 2008.

Sec. 702. (1) The department shall prepare detailed reports for construction projects in state parks that will involve campsite or campground closures. These reports shall include expected costs, impacts on recreation opportunities, impacts on state park revenues, and the expected impact on state park users. The department shall also prepare reports on average monthly campground occupancy rates for every state park during the previous summer season. The department shall provide reports described in this subsection to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies not later than April 1, 2008.

(2) The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities at any state park or recreation area.

Sec. 703. From the funds appropriated in part 1, the department shall maintain an appropriate number of defibrillators in state parks. State parks shall accept donations of defibrillators.

Sec. 704. By September 30, 2008, the department shall report to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies any misuse of complimentary or discounted day passes at state recreational facilities during the 2007-2008 fiscal year.

Sec. 705. The department shall not alter or halt operations of the ski hill or demolish buildings related to the ski hill, the assistant manager residence, the 3-unit apartment building, or the carpenter's shop and garage in Porcupine Mountains wilderness state park. The department shall collaborate with travel Michigan for the marketing and promotion of the ski hill.

Sec. 706. The department shall work with the natural resources commission to create a plan for generating annual corporate sponsorship revenue for state parks operations. The department shall inventory all state park assets and determine a plan for attracting sponsorships of those assets in a tasteful and appropriate manner without detracting from the image of the park itself. The plan shall be submitted to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies by January 31, 2008.

FOREST, MINERAL, AND FIRE MANAGEMENT

Sec. 801. In addition to the funds appropriated in part 1, \$350,000.00 is appropriated to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations.

Sec. 802. As a condition of expenditure of appropriations in part 1 from state general fund/general purpose, on November 15, 2007 the department shall provide at least \$1,000,000.00 from cooperative resources programs as an interdepartmental grant to the department of agriculture for the cooperative resources management initiative program for the purposes of supporting forestry programs in local conservation districts.

Sec. 804. It is the intent of the legislature to restore the \$20,000,000.00 by which the grant from the 21st century jobs trust fund to the Michigan forest finance authority under section 88j of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088j, was reduced in fiscal year 2006-2007.

Sec. 805. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for additional foresters to mark timber, pursuant to section 806.

Sec. 806. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe appropriate treatment on not less than 63,000 acres at the current average rate of 12.5 to 13 cords per acre, and put those cords up for sale in 2008, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2007 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues.

Sec. 807. From the funds appropriated in part 1, the department shall allow for a designated snowmobile route connecting the Village of Bellaire to the Jordan River Trail across state-owned land with associated reasonable restrictions that mitigate negative impacts on the natural resources.

Sec. 808. In addition to the money appropriated in this act, the department may receive and expend money from federal sources for the purpose of providing response to wildfires as required by a compact with the federal government. If additional expenditure authorization is required, the department shall notify the state budget office that expenditure under this section is required. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of the expenditures under this section by November 1, 2008.

LAW ENFORCEMENT

Sec. 901. The appropriation in part 1 for snowmobile law enforcement grants shall be used to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee subaccount created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department on the use of grant money received under this section.

GRANTS

Sec. 1101. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2007, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2007.

Sec. 1102. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than \$980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

Third: 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 natural resources for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michael Lahti
Dudley Spade
Darwin Booher
Conferees for the House

Michelle McManus
Mark Jansen
Liz Brater
Conferees for the Senate

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. 499**Yeas—63**

Accavitti	Coulouris	Jackson	Rocca
Angerer	Cushingberry	Johnson	Sak
Bauer	Dean	Jones, Robert	Scott
Bennett	Dillon	Lahti	Sheltrown
Bieda	Donigan	Law, David	Simpson
Booher	Ebli	Law, Kathleen	Smith, Alma
Brown	Espinoza	LeBlanc	Smith, Virgil
Byrnes	Farrah	Leland	Spade
Byrum	Gaffney	Lemmons	Tobocman
Caul	Gillard	Lindberg	Vagnozzi
Cheeks	Gonzales	Mayer	Valentine
Clack	Griffin	McDowell	Ward
Clemente	Hammel	Meadows	Warren
Condino	Hammon	Meisner	Wojno
Constan	Hood	Melton	Young
Corriveau	Hopgood	Miller	

Nays—46

Acciavatti	Green	Meltzer	Pearce
Agema	Hansen	Moolenaar	Polidori
Amos	Hildenbrand	Moore	Proos
Ball	Hoogendyk	Moss	Robertson
Brandenburg	Horn	Nitz	Schuitmaker
Calley	Huizenga	Nofs	Shaffer
Casperson	Hune	Opsommer	Sheen
Caswell	Jones, Rick	Palmer	Stahl
DeRoche	Knollenberg	Palsrok	Stakoe
Elsenheimer	LaJoy	Pastor	Steil
Emmons	Marleau	Pavlov	Walker
Garfield	Meekhof		

In The Chair: Sak

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

“Mr. Speaker and members of the House:

This bill includes \$17 mil in new fees.”

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

“Mr. Speaker and members of the House:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state’s economy or its citizens. However, it will take more money out of people’s paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive out more employers, increasing unemployment and further exacerbating Michigan’s plight. We might as well put a red flashing light at the state line warning businesses not to come here.

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?”

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 4358, entitled**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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 environmental quality 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 ENVIRONMENTAL QUALITY

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,561.7	
GROSS APPROPRIATION		\$ 370,844,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		18,662,900
ADJUSTED GROSS APPROPRIATION		\$ 352,181,500
Federal revenues:		
Total federal revenues		131,750,500
Special revenue funds:		
Total local revenues		0
Total private revenues		455,100
Total other state restricted revenues		188,212,700
State general fund/general purpose		\$ 31,763,200
FUND SOURCE SUMMARY:		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,561.7	
GROSS APPROPRIATION		\$ 370,844,400
Interdepartmental grant revenues:		
IDG-MDCH, local public health operations		10,472,500
IDG-MDSP		880,400
IDG, Michigan transportation fund		1,057,000
IDT, interdivisional charges		2,053,400

	For Fiscal Year Ending Sept. 30, 2008
IDT, laboratory services	4,199,600
Total interdepartmental grants and intradepartmental transfers	18,662,900
ADJUSTED GROSS APPROPRIATION	\$ 352,181,500
Federal revenues:	
DHHS, federal	6,200
DHS, federal	3,609,300
DOC-NOAA, federal.....	3,670,200
DOD, federal	1,202,600
DOI, federal.....	594,000
EPA, brownfield cleanup revolving loan fund.....	1,000,000
EPA, multiple.....	121,668,200
Total federal revenues	131,750,500
Special revenue funds:	
Private funds	455,100
Total private revenues	455,100
Aboveground storage tank fees	760,400
Air emissions fees.....	13,654,900
Aquifer protection revolving fund.....	400,000
Campground fund	237,600
Clean Michigan initiative - administration.....	335,500
Clean Michigan initiative - clean water fund	3,372,000
Clean Michigan initiative - response activities.....	5,663,200
Cleanup and redevelopment fund	12,383,100
Community pollution prevention fund	250,000
Environmental pollution prevention fund.....	2,033,000
Environmental protection fund.....	3,907,100
Environmental response fund.....	6,299,700
Fees and collections.....	552,500
Financial instruments	5,000,000
Great Lakes protection fund.....	1,603,100
Groundwater discharge permit fees	2,826,000
Hazardous materials transportation permit fund.....	218,500
Infrastructure construction fund	400,000
Laboratory data quality recognition fund	16,200
Land and water permit fees.....	4,252,500
Landfill maintenance trust fund	55,900
Medical waste emergency response fund.....	240,300
Metallic mining surveillance fee revenue.....	93,500
Mineral well regulatory fee revenue	246,000
Nonferrous metallic mineral surveillance.....	218,600
NPDES fees	3,362,400
Oil and gas regulatory fund.....	7,829,100
On-site wastewater treatment program fund.....	592,500
Orphan well fund	2,051,900
Public swimming pool fund	541,300
Public utility assessments	786,100
Public water supply fees	3,949,600
Publication revenue.....	120,200
Refined petroleum fund	30,684,500
Restricted funds	18,448,500
Retired engineers technical assistance fund	1,474,300
Revitalization revolving loan fund.....	84,300
Revolving loan revenue bonds	11,400,000
Saginaw Bay and River restoration revenue.....	174,800
Sand extraction fee revenue	198,300
Scrap tire regulatory fund	5,846,300
Septage waste contingency fund	37,700

	For Fiscal Year Ending Sept. 30, 2008
Septage waste program fund	720,200
Settlement funds	2,093,100
Sewage sludge land application fee.....	850,800
Small business pollution prevention revolving loan fund.....	107,700
Soil erosion and sedimentation control training fund	114,700
Solid waste program fees	4,493,500
Stormwater permit fees	2,799,400
Strategic water quality initiatives fund.....	10,000,000
Underground storage tank fees	3,125,500
Waste reduction fee revenue	4,479,600
Wastewater operator training fees	172,100
Water analysis fees.....	3,317,600
Water pollution control revolving fund	3,066,400
Water quality protection fund.....	25,000
Water use reporting fees.....	245,700
Total other state restricted revenues	188,212,700
State general fund/general purpose	\$ 31,763,200
Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	78.0
Unclassified salaries—6.0 FTE positions	\$ 587,600
Administrative hearings	441,800
Automated data processing	2,053,400
Central operations—62.0 FTE positions.....	6,757,100
Environmental support projects.....	5,000,000
Executive direction—9.0 FTE positions.....	2,306,100
Human resource optimization user charges	98,600
Office of the Great Lakes—7.0 FTE positions	1,048,900
Building occupancy charges.....	7,291,400
Rent - privately owned property	2,145,900
GROSS APPROPRIATION.....	\$ 27,730,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP	112,100
IDT, interdivisional charges	2,053,400
IDT, laboratory services	471,400
Federal revenues:	
DOC-NOAA, federal.....	22,500
DOI, federal.....	160,300
EPA, multiple.....	265,100
Special revenue funds:	
Financial instruments	5,000,000
Great Lakes protection fund.....	603,100
Restricted funds	13,248,100
Settlement funds	104,400
State general fund/general purpose	\$ 5,690,400
Sec. 103. AIR QUALITY	
Full-time equated classified positions	241.5
Air quality programs—241.5 FTE positions.....	\$ 26,408,400
GROSS APPROPRIATION.....	\$ 26,408,400
Appropriated from:	
Federal revenues:	
DHS, federal	2,027,600
EPA, multiple.....	4,470,600
Special revenue funds:	
Air emissions fees.....	12,889,300
Environmental response fund.....	106,200

	For Fiscal Year Ending Sept. 30, 2008
Fees and collections.....	408,400
Oil and gas regulatory fund.....	107,500
Refined petroleum fund	2,850,700
State general fund/general purpose	\$ 3,548,100
Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES	
Full-time equated classified positions	184.0
Program services and grant management—27.5 FTE positions	\$ 3,886,300
Laboratory services—68.0 FTE positions	6,822,900
Municipal assistance—35.5 FTE positions	5,305,100
Pollution prevention and technical assistance—53.0 FTE positions	5,085,800
Pollution prevention outreach	300,000
Retired engineers technical assistance program.....	1,474,300
Revitalization revolving loan program	1,000,000
GROSS APPROPRIATION.....	\$ 23,874,400
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services	3,577,800
Federal revenues:	
DOC-NOAA, federal.....	353,000
EPA, brownfield cleanup revolving loan fund.....	1,000,000
EPA, multiple.....	3,432,400
Special revenue funds:	
Private funds.....	300,000
Air emissions fees.....	765,600
Environmental protection fund.....	68,500
Environmental response fund.....	662,500
Laboratory data quality recognition fund	16,200
Public water supply fees	252,100
Retired engineers technical assistance fund	1,474,300
Revitalization revolving loan fund.....	84,300
Settlement funds	234,400
Small business pollution prevention revolving loan fund.....	107,700
Stormwater permit fees	95,500
Strategic water quality initiatives fund.....	400,000
Waste reduction fee revenue	4,405,000
Wastewater operator training fees	172,100
Water analysis fees.....	3,317,600
Water pollution control revolving fund	2,398,300
State general fund/general purpose	\$ 757,100
Sec. 105. OFFICE OF GEOLOGICAL SURVEY	
Full-time equated classified positions	68.0
Coal and sand dune management—3.0 FTE positions.....	\$ 626,000
Metallic mine reclamation—1.0 FTE positions	93,500
Mineral wells management—3.0 FTE positions	246,000
Nonferrous metallic mining—2.0 FTE positions	218,600
Orphan well—2.0 FTE positions.....	2,051,900
Services to oil and gas—57.0 FTE positions.....	7,478,300
GROSS APPROPRIATION.....	\$ 10,714,300
Appropriated from:	
Federal revenues:	
DOI, federal.....	427,700
Special revenue funds:	
Metallic mining surveillance fee revenue.....	93,500
Mineral well regulatory fee revenue	246,000
Nonferrous metallic mineral surveillance.....	218,600
Oil and gas regulatory fund.....	7,358,100
Orphan well fund	2,051,900

	For Fiscal Year Ending Sept. 30, 2008
Publication revenue.....	120,200
Sand extraction fee revenue.....	198,300
State general fund/general purpose.....	\$ 0
Sec. 106. LAND AND WATER MANAGEMENT	
Full-time equated classified positions.....	129.0
Program direction—8.0 FTE positions.....	\$ 938,700
Field permitting and project assistance—72.0 FTE positions.....	7,514,900
Great Lakes shorelands—28.0 FTE positions.....	2,662,700
Water management—21.0 FTE positions.....	2,688,600
GROSS APPROPRIATION.....	\$ 13,804,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG, Michigan transportation fund.....	1,002,500
Federal revenues:	
DHS, federal.....	999,700
DOC-NOAA, federal.....	1,508,800
EPA, multiple.....	1,047,400
Special revenue funds:	
Land and water permit fees.....	3,653,300
State general fund/general purpose.....	\$ 5,593,200
Sec. 107. REMEDIATION AND REDEVELOPMENT	
Full-time equated classified positions.....	297.5
Contaminated site investigation, cleanup, and revitalization—230.5 FTE positions.....	\$ 22,924,100
Federal cleanup project management—67.0 FTE positions.....	8,385,800
Emergency cleanup actions.....	4,000,000
Refined petroleum product cleanup program.....	20,000,000
Environmental cleanup and redevelopment program.....	5,663,200
Environmental cleanup support.....	2,340,000
Superfund cleanup.....	4,000,000
GROSS APPROPRIATION.....	\$ 67,313,100
Appropriated from:	
Federal revenues:	
DHHS, federal.....	6,200
DOD, federal.....	1,174,500
EPA, multiple.....	8,403,500
Special revenue funds:	
Private funds.....	155,100
Clean Michigan initiative - response activities.....	5,663,200
Cleanup and redevelopment fund.....	12,383,100
Environmental protection fund.....	3,838,600
Environmental response fund.....	5,231,400
Landfill maintenance trust fund.....	55,900
Refined petroleum fund.....	26,790,900
Settlement funds.....	1,504,300
State general fund/general purpose.....	\$ 2,106,400
Sec. 108. WASTE AND HAZARDOUS MATERIALS	
Full-time equated classified positions.....	183.5
Aboveground storage tank program—8.0 FTE positions.....	\$ 760,400
Hazardous waste management program—61.0 FTE positions.....	6,463,200
Low-level radioactive waste authority—2.0 FTE positions.....	786,100
Medical waste program—2.0 FTE positions.....	240,300
Radiological protection program—14.5 FTE positions.....	1,418,800
Scrap tire regulatory program—11.0 FTE positions.....	1,061,200
Solid waste management program—50.0 FTE positions.....	4,568,100
Underground storage tank program—35.0 FTE positions.....	3,394,600
GROSS APPROPRIATION.....	\$ 18,692,700

For Fiscal Year
Ending Sept. 30,
2008

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP	740,400
Federal revenues:	
EPA, multiple.....	4,006,600
Special revenue funds:	
Aboveground storage tank fees	760,400
Environmental pollution prevention fund.....	2,033,000
Hazardous materials transportation permit fund.....	218,500
Medical waste emergency response fund.....	240,300
Public utility assessments	786,100
Scrap tire regulatory fund	1,061,200
Solid waste program fees	4,493,500
Underground storage tank fees.....	3,125,500
Waste reduction fee revenue	74,600
State general fund/general purpose	\$ 1,152,600
Sec. 109. WATER	
Full-time equated classified positions	358.2
Aquifer protection program.....	\$ 350,000
Aquifer protection and dispute resolution - IDG to Michigan department of agriculture	50,000
Drinking water and environmental health—114.2 FTE positions	16,093,800
Expedited water/wastewater permits—3.0 FTE positions.....	400,000
Fish contaminant monitoring.....	316,100
Groundwater discharge—22.0 FTE positions	2,965,300
NPDES nonstormwater program—118.4 FTE positions	10,975,900
Sewage sludge land application program—6.5 FTE positions.....	850,800
Surface water—94.1 FTE positions.....	15,339,700
GROSS APPROPRIATION.....	\$ 47,341,600
Appropriated from:	
Federal revenues:	
EPA, multiple.....	18,070,000
Special revenue funds:	
Aquifer protection revolving fund.....	400,000
Campground fund	237,600
Clean Michigan initiative - administration.....	335,500
Clean Michigan initiative - clean water fund	3,372,000
Environmental response fund.....	167,100
Fees and collections.....	144,100
Groundwater discharge permit fees.....	2,826,000
Infrastructure construction fund	400,000
Land and water permit fees.....	599,200
NPDES fees	3,362,400
On-site wastewater treatment program fund.....	592,500
Public swimming pool fund	541,300
Public water supply fees	2,297,500
Refined petroleum fund	959,200
Saginaw Bay and River restoration revenue.....	174,800
Septage waste contingency fund	37,700
Septage waste program fund	320,200
Sewage sludge land application fee.....	850,800
Soil erosion and sedimentation control training fund.....	114,700
Stormwater permit fees	2,703,900
Water pollution control revolving fund	668,100
Water use reporting fees.....	245,700
State general fund/general purpose	\$ 7,921,300

For Fiscal Year
Ending Sept. 30,
2008

Sec. 110. CRIMINAL INVESTIGATIONS

Full-time equated classified positions	22.0	
Environmental investigations—22.0 FTE positions		\$ 2,587,400
GROSS APPROPRIATION		\$ 2,587,400
Appropriated from:		
Federal revenues:		
DHS, federal		557,600
EPA, multiple		154,100
Special revenue funds:		
Environmental response fund		132,500
Oil and gas regulatory fund		363,500
Scrap tire regulatory fund		285,100
State general fund/general purpose		\$ 1,094,600

Sec. 111. GRANTS

Coastal management grants		\$ 2,000,000
Federal - Great Lakes remedial action plan grants		700,000
Federal - nonpoint source water pollution grants		6,500,000
Grants to counties—air pollution		83,700
Radon grants		90,000
Water pollution control and drinking water revolving fund		86,309,300
Drinking water program grants		1,330,000
Great Lakes research and protection grants		1,000,000
Local health department operations		10,472,500
Noncommunity water grants		1,400,000
Pollution prevention local grants		250,000
Real-time water quality monitoring		250,000
Septage waste compliance grants		400,000
Scrap tire grants		4,500,000
Strategic water quality initiative loans		9,600,000
Volunteer river, stream, and creek cleanup		25,000
GROSS APPROPRIATION		\$ 124,910,500
Appropriated from:		
Interdepartmental grant revenues		
IDG-MDCH, local public health operations		10,472,500
Federal revenues:		
DOC-NOAA, federal		1,700,000
EPA, multiple		80,463,000
Special revenue funds:		
Community pollution prevention fund		250,000
Great Lakes protection fund		1,000,000
Public water supply fees		1,400,000
Refined petroleum fund		83,700
Revolving loan revenue bonds		11,400,000
Scrap tire regulatory fund		4,500,000
Septage waste program fund		400,000
Settlement funds		250,000
Strategic water quality initiatives fund		9,600,000
Water quality protection fund		25,000
State general fund/general purpose		\$ 3,366,300

Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects		\$ 7,466,300
GROSS APPROPRIATION		\$ 7,466,300
Appropriated from:		
Interdepartmental grant revenues		
IDG-MDSP		27,900
IDG, Michigan transportation fund		54,500
IDT, laboratory services		150,400

For Fiscal Year
Ending Sept. 30,
2008

Federal revenues:	
DHS, federal	24,400
DOC-NOAA, federal.....	85,900
DOD, federal	28,100
DOI, federal.....	6,000
EPA, multiple.....	1,355,500
Special revenue funds:	
Restricted funds	5,200,400
State general fund/general purpose	\$ 533,200

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2007-2008 is \$219,975,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$4,300,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY

GRANTS

Noncommunity water grants	\$ 1,400,000
Real-time water quality monitoring.....	250,000
Scrap tire grants.....	2,250,000
Septage waste compliance program.....	400,000
TOTAL	\$ 4,300,000

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

Sec. 203. As used in this act:

- (a) "Department" means the department of environmental quality.
- (b) "DHHS" means the United States department of health and human services.
- (c) "DHS" means the United States department of homeland security.
- (d) "DOC" means the United States department of commerce.
- (e) "DOC-NOAA" means the DOC national oceanic and atmospheric administration.
- (f) "DOD" means the United States department of defense.
- (g) "DOI" means the United States department of interior.
- (h) "EPA" means the United States environmental protection agency.
- (i) "FTE" means full-time equated.
- (j) "IDG" means interdepartmental grant.
- (k) "IDT" means intradepartmental transfer.
- (l) "MDCH" means the Michigan department of community health.
- (m) "MDSPP" means the Michigan department of state police.
- (n) "MI" means Michigan.
- (o) "NPDES" means national pollutant discharge elimination system.

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

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

(2) The state budget director shall grant exceptions to the hiring freeze described in subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. 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. 207. 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. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Sec. 208. By February 15, 2008, the department shall provide the state budget director, the subcommittees on environmental quality of the senate and house appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2007 and September 30, 2008.

Sec. 209. (1) From funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant or loan or grant and loan programs administered by the department for the fiscal year ending September 30, 2008:

- (a) The name of each program.
 - (b) The goals of the program, the criteria, eligibility, process, filing fees, nominating procedures, and deadlines for each program.
 - (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
 - (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
 - (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
 - (f) The source of funds for each program, including the citation of pertinent authorizing acts.
 - (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
 - (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan.
- (2) The reports required under this section shall be submitted to the state budget office, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2008.

Sec. 211. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

- (a) The name and location of the site for which an allocation is made.
 - (b) The nature of the problem encountered at the site.
 - (c) A brief description of how the problem will be resolved if the allocation is made for a response activity.
 - (d) The estimated date that site closure activities will be completed.
 - (e) The amount of the allocation, or the anticipated financing for the site.
 - (f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
 - (g) The number of sites that would qualify as brownfields that were redeveloped.
- (2) The report prepared under subsection (1) shall also include all of the following:
- (a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.
 - (b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.
 - (c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

Sec. 212. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the leaking underground storage tank cleanup program, and the refined petroleum product cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173 and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund and unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 506, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, 2005 PA 11, and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154 and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

Sec. 213. Of the money appropriated from the environmental education fund in part 1, \$5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

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. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 215. 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. 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 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 house and senate 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. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods 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 or operated by veterans, if they are competitively priced and of comparable quality.

Sec. 218. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of \$2,500,000.00.

Sec. 219. 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. 220. (1) The appropriation in section 102 includes \$11,165,800.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for selected line items in the executive operations and administrative support appropriation unit.

(2) The appropriation in section 112 includes \$4,214,000.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for the information technology appropriation.

(3) The department shall adopt a cost allocation plan for revenue sources supporting line items listed in sections 102 and 112. This cost allocation plan may be phased in over 2 fiscal years, beginning with the fiscal year ending September 30, 2008.

(4) The department shall provide a report on or before October 31, 2007 to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies of the line item amounts and detailed revenue sources which support the restricted fund appropriations in sections 102 and 112.

Sec. 221. The department shall not take disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

Sec. 222. The department shall annually report and post on its web site by December 31 to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies an accounting of all civil and criminal fine revenue collected during the previous fiscal year.

Sec. 223. From the funds appropriated in part 1, the department shall assist the legislative commission on government efficiency, established in section 752 of the legislative council act, 1986 PA 268, MCL 4.1752, in its benchmarking evaluation of department programs, including, at a minimum, the air quality renewable operating permit program, the groundwater discharge program, land and water management programs, and the hazardous water management program.

Sec. 224. (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. 225. 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. 226. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,000,000.00 for federal contingency 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. 227. It is the intent of the legislature that revenue shortfalls in state restricted funds appropriated in part 1 shall be addressed by January 15, 2008.

AIR QUALITY

Sec. 301. The department shall report quarterly, via the department's Internet web site, on air quality program expenditures and revenues. The report shall include expenditures and revenues by fund source and by program function.

Sec. 302. From the funds appropriated in part 1, the department shall continue to work with individuals, organizations, and businesses to reach ozone attainment status in the 8 counties in southeast Michigan that are currently in nonattainment. To the fullest extent permitted by law and federal regulations, the department shall develop an attainment strategy that balances the public health, environmental, and economic interests of the residents, organizations, and businesses in that area.

ENVIRONMENTAL SCIENCE AND SERVICES

Sec. 401. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 402. By July 1, 2008, the department shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department of environmental quality, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

OFFICE OF GEOLOGICAL SURVEY

Sec. 501. It is the intent of the legislature that the office of geological survey continue its work with Western Michigan University’s department of geosciences to maintain core samples at the Michigan basin core research laboratory as part of the Michigan geological repository for research and education at Western Michigan University and it is encouraged to explore new opportunities for mutually beneficial research and collaboration between the department and the university.

LAND AND WATER MANAGEMENT

Sec. 601. The department may waive permit fees for nonprofit organizations conducting approved stream habitat improvement projects.

Sec. 602. The department shall continue to make refinements to the wetland mapping information as additional information becomes available in an effort to provide a level of detail such that a person can determine from the map with a reasonable amount of certainty whether or not a parcel or substantial portion of a parcel in question is in fact a wetland subject to regulation by the department.

REMEDICATION AND REDEVELOPMENT

Sec. 701. The unexpended funds appropriated in part 1 for emergency cleanup actions, the refined petroleum product cleanup program, and the environmental cleanup and redevelopment program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 2012.

Sec. 702. From funds appropriated in part 1 for activities related to cleanup sites under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, the department shall incorporate into remedial action plans area-wide or site-specific cleanup criteria derived from peer-reviewed risk assessment based on bioavailability studies, site-specific human exposure data, and any other scientifically based risk assessment studies that are available and relevant. The department shall submit a report listing efforts made by the department to comply with this section. This report shall be provided to the house and senate appropriations subcommittees on environmental quality on or before January 1, 2008.

Sec. 703. The funds appropriated in part 1 for the refined petroleum product cleanup program shall be used to fund cleanup activities on the following sites:

Site Name	County
Alcona Oil Co, Inc.	Alcona
Somers Service Inc.	Alcona
State Park Grocery	Alcona
Laughing Whitefish Trading Post	Alger
Midway Resort Inc.	Alger
Fennville Feed Supply	Allegan
Butch’s Tackle & Marine	Antrim
Pickup Capital of the North (former)	Antrim
L’Anse Marathon	Baraga
Res Wells Woodland	Barry
Pfanne’s Grocery	Bay

B & M Party Store	Benzie
Village of Honor Res. Wells	Benzie
Frank's Pro Station	Berrien
Dave's Repair	Cass
Indian Lake Mini Super	Cass
Rigg's Corner Store	Cass
Dockside Market	Charlevoix
Mr. Mug's Donut Shop	Chippewa
Park Shell Service	Chippewa
Ackels Car Care	Clinton
Bob's Marathon	Eaton
Central Distributing	Genesee
Ackett's Country Corners	Gladwin
Gazey & Aleck Station	Gladwin
Evans Wallpaper & Paint	Grand Traverse
Hoefflin's Service	Grand Traverse
Universal Car Wash	Grand Traverse
Venture Investments	Grand Traverse
Former Union 76	Hillsdale
Dunk's Garage	Huron
Port Austin Shell	Huron
Action Auto #23	Ingham
Former Clark #531	Ingham
DNR - RED - Whittemore (Tax Reverted)	Iosco
Firstbank-Winn Branch	Isabella
Former Gulf (Napolean)	Jackson
Alamo General Store	Kalamazoo
Liberty Gas	Kalamazoo
McDonald's Crosstown Service	Kalamazoo
Moore's Milwood Service	Kalamazoo
Davis Country Corners	Kalkaska
Taffletown Tavern	Kalkaska
Kountry Korner	Kent
Rockford Market	Kent
Uncle Lee's Trading Post	Kent
B & T Properties	Lapeer
Lakeland Montessori School	Livingston
Millie's Market	Livingston
Bob's Standard Service	Luce
C & V Grocery	Luce
D&D Jefferson Inc	Macomb
Montgomery Ward	Macomb
Red Barn Market	Manistee
Greenwood Self Serve	Marquette
Harvey Oil Co.	Marquette
Joe & Son's Service	Marquette
Paton's Country Store	Marquette
Custer Abandoned Station	Mason
Altona General Store	Mecosta
Joe's Tire/Ridderman Oil	Mecosta
RLJ Realty	Midland
Kreagers	Missaukee
The Landing	Missaukee
Luna Pier Fuel Stop	Monroe
Amble Oil Co.	Montcalm
Coral General Store	Montcalm
Edmore Mobil	Montcalm
Marvin Jensen	Montcalm
Joey's Service	Montmorency

Wyson's General Store	Montmorency
James J. Caradine	Muskegon
415 E. Hudson	Oakland
Don & Stan's/Joe's Towing	Oakland
Emma Milner Property	Oakland
Farmer's Petroleum Cooperation	Oakland
Little Caesar's	Oakland
Franklin Forge	Ogemaw
Rose City Feed & Tack	Ogemaw
Ontonagon Mobil Mart	Ontonagon
Andy's Standard Service	Osceola
Pete's Place	Osceola
Family Book Shelve	Oscoda
Big Mac's Market	Roscommon
Charlie's Place	Roscommon
Chapin General Store	Saginaw
Former Gas Station-104 W. Grand River	Shiawassee
Save-U Station (former)	Shiawassee
Payless SuperAmerica	St Joseph
Salmo Property	Tuscola
Evellyn Gibbons	Washtenaw
Fred's Country Sunoco	Washtenaw
Lloyd Cochran	Washtenaw
S & S Auto	Washtenaw
Sunshine Oil	Washtenaw
Cal's Car Care, Inc.	Wayne
Mercury Manufacturing	Wayne
Reclamation Co.	Wayne
Auto Parts Center	Wexford
Mar-Lyn's Lakeside Resort	Wexford
Village of Harrietta	Wexford

Sec. 704. The funds appropriated in part 1 for the environmental cleanup and redevelopment program shall be used to fund cleanup activities on the following sites:

Site Name	County
Osceola Refinery (former)	Osceola
Former Petoskey Petrolane	Emmet
Bay Harbor	Emmet
Former Autostyle Plastics, Inc	Kent
Harbor Plating	Berrien
Americhem Corporation	Ingham
House of Imports	Oakland
Packaging Corp of America	Manistee
Manistique Industrial Park	Schoolcraft

Sec. 705. It is the intent of the legislature to repay the refined petroleum fund for the \$70,000,000.00 that was transferred to the environmental protection fund as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 706. It is the intent of the legislature that the office of the auditor general conduct a performance audit of the leaking underground storage tank program. The performance audit shall include an investigation of the effectiveness of the program, including the adequacy of program funding, the use of draft and final operational memoranda, and consistency in the enforcement of regulations. The department shall fully cooperate with the auditor general during the performance audit.

Sec. 707. The department shall not expend funds appropriated in part 1 if using operational memoranda or other similar documents that are in draft form to impose regulations on individuals or businesses conducting environmental cleanup projects, except as provided in part 213 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21301 to 324.21331, or when there is written consent between the department and the individual or business.

WASTE AND HAZARDOUS MATERIALS

Sec. 801. It is the intent of the legislature that the recommendations of the site review board, as established in section 11117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11117, are the final approval for each site construction permit application that is referred to the board by the department.

Sec. 802. The department shall annually provide a report to the city of Romulus, city of Taylor, and Wayne County with respect to the activity of a multisource commercial hazardous waste disposal well, as defined in part 625 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.62501 to 324.62518, containing all of the following:

(a) Information concerning the release or discharge of any hazardous waste or hazardous waste constituent that may endanger public drinking water supplies or the environment.

(b) Information concerning the fire, explosion, or other release or discharge of any hazardous waste or hazardous waste constituent that could threaten human health or the environment or a spill that has reached surface water or groundwater.

(c) A summary of groundwater quality data, data graphs, data tables, statistical analyses to date, and identification of any statistically significant increases.

(d) With respect to the information described in subdivisions (a) to (c), a description of any noncompliance and its cause; the periods of noncompliance, including exact dates and times; whether the noncompliance has been corrected and, if not, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance and when those activities occurred or will occur.

WATER

Sec. 901. By February 1, 2008, the department shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

Sec. 902. From the funds appropriated in part 1, the department shall conduct a comparative analysis of the NPDES permit program for large confined animal feeding operations with the Michigan agriculture environmental assurance program (MAEAP). The analysis shall include a comparison of standards in effect at the time of MAEAP verification of a farm. The collection of data, evaluation, and final report shall be conducted in collaboration with the department of agriculture. The analysis shall be submitted to the state budget director, the senate and house appropriations subcommittees on environmental quality and agriculture, the senate and house standing committees on issues primarily related to environmental quality and agriculture, and the senate and house fiscal agencies by April 1, 2008.

Sec. 903. From the funds appropriated in part 1 for the surface water program, the department, in conjunction with the department of agriculture, shall submit a report to the state budget director, the senate and house appropriation subcommittees on environmental quality, and the senate and house fiscal agencies by September 30, 2008 that documents all of the following information:

(a) The number of concentrated animal feeding operations (CAFOs) in the state, and the number of those which have permits under the national pollution discharge elimination system (NPDES).

(b) The number and nature of inspections of CAFOs undertaken by the department and the department of agriculture, including whether the inspections included testing of the water, soil, or air, and a summary of the results of those inspections.

(c) An estimate of the number of CAFOs that utilize sewage lagoons, the capacity of those lagoons, and whether those lagoons are lined.

(d) An estimate of the funding dedicated toward permitting, inspection, and enforcement of current laws regulating CAFOs.

Sec. 904. From the funds appropriated in part 1 for the surface water program, the department shall prepare a plan by September 30, 2008 for the virtual elimination of sewage discharges into waters of the state by 2015. The plan shall be submitted to the state budget director, the senate and house appropriation subcommittees on environmental quality, and the senate and house fiscal agencies. The plan shall include all of the following information:

(a) A discussion of the major infrastructure projects undertaken and planned over the next 5 to 10 years to increase the capacity of public wastewater treatment facilities to better handle sewage waste and stormwater runoff.

(b) Trends over the last 5 years on the amount of untreated or undertreated sewage that was discharged into waters of the state from wastewater treatment facilities or their connected systems, and estimates on the amount of discharge that the department expects will occur in the next 5 to 10 years, assuming infrastructure upgrades.

(c) A discussion of the role of nonpoint discharges of sewage waste either through failing on-site septic systems or the land application of sewage and the impact on waters of the state.

(d) A discussion of the regulatory program designed to limit adverse impacts on waters of the state from sewage discharges and the sufficiency of funding allocated to those programs.

(e) A discussion of the funding available to local units of government to upgrade public wastewater treatment facilities or on-site systems.

(f) Recommendations for program changes or funding that would be required to achieve the virtual elimination of sewage discharges into the waters of the state by 2015.

Sec. 905. From the funds appropriated in part 1, the department shall assess municipal separate storm sewer system permit fees pursuant to section 3118(1)(d) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.3118, only on the owners and operators of municipal separate storm sewer systems.

GRANTS

Sec. 1101. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

Sec. 1102. Of the funds appropriated in part 1 for scrap tire grants, \$100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

Sec. 1103. The appropriation in part 1 for real-time water quality monitoring is a grant to Macomb County and St. Clair County to support a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2008, grant recipients shall report to the department on the plan's implementation and the status of the project. The department shall forward the report to the state budget director, the senate and house appropriation subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies. Funding is contingent upon development of a department-approved plan for long-term funding of operation and maintenance of the real-time monitoring system for the Huron-Erie corridor.

Third: 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 environmental quality for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Doug Bennett
John Espinoza
Conferees for the House

Valde Garcia
Liz Brater
Conferees for the Senate

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. 500

Yeas—56

Accavitti	Dean	Jones, Robert	Polidori
Bauer	Dillon	Lahti	Rocca
Bennett	Donigan	Law, David	Sak
Bieda	Espinoza	Law, Kathleen	Scott
Brown	Farrah	LeBlanc	Simpson
Byrnes	Gillard	Leland	Smith, Alma

Cheeks	Gonzales	Lemmons	Smith, Virgil
Clack	Griffin	Lindberg	Spade
Clemente	Hammel	Marleau	Tobocman
Condino	Hammon	Mayes	Vagnozzi
Constan	Hood	McDowell	Valentine
Corriveau	Hopgood	Meisner	Ward
Coulouris	Jackson	Melton	Wojno
Cushingberry	Johnson	Miller	Young

Nays—53

Acciavatti	Elsenheimer	LaJoy	Pavlov
Agema	Emmons	Meadows	Pearce
Amos	Gaffney	Meekhof	Proos
Angerer	Garfield	Meltzer	Robertson
Ball	Green	Moolenaar	Schuitmaker
Booher	Hansen	Moore	Shaffer
Brandenburg	Hildenbrand	Moss	Sheen
Byrum	Hoogendyk	Nitz	Sheltrown
Calley	Horn	Nofs	Stahl
Casperson	Huizenga	Opsommer	Stakoe
Caswell	Hune	Palmer	Steil
Caul	Jones, Rick	Palsrok	Walker
DeRoche	Knollenberg	Pastor	Warren
Ebli			

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:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state’s economy or its citizens. However, it will take more money out of people’s paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive out more employers, increasing unemployment and further exacerbating Michigan’s plight. We might as well put a red flashing light at the state line warning businesses not to come here.

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?”

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 4360, entitled

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to establish or continue certain

funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

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

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, 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 community colleges and certain other state purposes relating to education 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:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$ 318,928,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 318,928,800
Total federal revenues	0
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 318,928,800

Sec. 102. OPERATIONS

Alpena Community College	\$ 5,034,800
Bay de Noc Community College.....	5,084,400
Delta College	13,458,400
Glen Oaks Community College.....	2,259,100
Gogebic Community College	4,207,700
Grand Rapids Community College.....	16,879,000
Henry Ford Community College	20,524,100
Jackson Community College	11,338,500
Kalamazoo Valley Community College.....	11,643,300
Kellogg Community College.....	9,129,600
Kirtland Community College	2,781,000
Lake Michigan College	4,919,800
Lansing Community College.....	29,183,800
Macomb Community College.....	31,158,600
Mid Michigan Community College.....	4,202,200
Monroe County Community College.....	4,054,300
Montcalm Community College	2,919,500
C.S. Mott Community College	14,730,200
Muskegon Community College	8,369,000
North Central Michigan College	2,838,000
Northwestern Michigan College.....	8,531,900
Oakland Community College	19,698,200
St. Clair County Community College.....	6,600,400
Schoolcraft College.....	11,516,300
Southwestern Michigan College.....	6,174,000
Washtenaw Community College.....	11,841,800
Wayne County Community College	15,586,500
West Shore Community College	2,156,900
One-time supplemental payment	25,759,800
GROSS APPROPRIATION.....	\$ 312,581,100

For Fiscal Year
Ending Sept. 30,
2008

Appropriated from:	
State general fund/general purpose	\$ 312,581,100
Sec. 103. GRANTS	
At-risk student success program.....	\$ 3,322,700
Renaissance zone tax reimbursement funding	3,025,000
GROSS APPROPRIATION.....	\$ <u>6,347,700</u>
Appropriated from:	
State general fund/general purpose	\$ 6,347,700

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 \$318,928,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$318,928,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$ 312,581,100
At-risk student success program.....	3,322,700
Renaissance zone tax reimbursement program	3,025,000
TOTAL	\$ <u>318,928,800</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. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth 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. 208. The department of labor and economic growth shall continue to work collaboratively with community colleges to implement an accelerated entrepreneurship curriculum, including an associate degree, to provide students with the skills and knowledge needed for creating their own businesses.

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 principal executive officer of each community college 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 principal executive officer shall strongly encourage firms with which the community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 211. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2008, and, except for the 1-time supplemental payment described in subsection (2), shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2007. Each community college shall accrue its July and August 2008 payments to its institutional fiscal year ending June 30, 2008. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2006-2007 to the department of labor and economic growth by November 1, 2007, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2007. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) The funds appropriated in part 1 to community colleges for the 1-time supplemental payment shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges on October 16, 2007. The payment made to each community college shall be equal to the sum of the delayed payment reduction contained in Executive Order No. 2007-3 and the payment delay reduction contained in section 106 of 2007 PA 17. Each community college shall accrue this payment to its institutional fiscal year ending June 30, 2007.

(3) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The money appropriated in this act may be used to match the cost of any available programs

under the Carl D. Perkins vocational and applied technology education act of 1998, 20 USC 2301 to 2415, including local administration.

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

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

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. A community college shall comply with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy.

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

Sec. 224. Recognizing the critical importance of education in strengthening Michigan's workforce, the legislature encourages the state's public community colleges to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

Sec. 234. Community colleges shall do the following:

(a) Undertake active measures to promote equal opportunities, eliminate discrimination, and foster a diverse student body and administration among all people including, but not limited to, women, minorities, seniors, veterans, and people with disabilities.

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

Sec. 235. It is the intent of the legislature that a workgroup be formed to evaluate, discuss, and make recommendations for future action regarding state university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan community college association may create and administer the workgroup and is encouraged to include members representing university and K-12 school organizations. The workgroup shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2008.

Sec. 239. The legislature intends that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 2008, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2008, will be accompanied by a similar action or proposal for state-supported community colleges.

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

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

STATE AID - OPERATIONS

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

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

Sec. 304. (1) It is the intent of the legislature that the funding formula developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154 be used for funding distribution in future years and that the data collected and used to generate the activities classification structure databook continue to be collected and maintained.

(2) It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force pursuant to section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years.

GRANTS

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of labor and economic growth pursuant to the Activities

Classification Structure Manual for Michigan Community Colleges, as amended. Of the amount appropriated in part 1 for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges.

(2) Of the amount appropriated in part 1 for the at-risk student success program, the balance of the appropriated money shall be distributed on a proration utilizing the sum of the most recent 3 years developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all the percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2008, the at-risk student success program money is allocated as follows:

Alpena Community College	\$ 80,500
Bay de Noc Community College.....	76,600
Delta College	99,400
Glen Oaks Community College.....	115,100
Gogebic Community College	58,200
Grand Rapids Community College.....	128,700
Henry Ford Community College	159,200
Jackson Community College	113,800
Kalamazoo Valley Community College.....	91,100
Kellogg Community College.....	167,400
Kirtland Community College	129,000
Lake Michigan College	155,100
Lansing Community College.....	143,800
Macomb Community College.....	84,300
Mid Michigan Community College	147,900
Monroe County Community College.....	103,900
Montcalm Community College	66,000
C.S. Mott Community College	105,700
Muskegon Community College	81,800
North Central Michigan College	116,200
Northwestern Michigan College.....	122,600
Oakland Community College	147,500
St. Clair Community College	110,500
Schoolcraft College.....	128,500
Southwestern Michigan College.....	145,100
Washtenaw Community College.....	153,700
Wayne County Community College	147,400
West Shore Community College	143,700

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

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

(b) Are diagnosed as learning disabled.

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

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

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

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

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

Sec. 405. (1) It is the intent of the legislature that the legislature appropriate funding for nursing grants to encourage the expansion of nursing programs at community colleges. Any funds appropriated shall be allocated to each community college on a proportional basis based on the number of 2005-2006 ADN/RN nursing program awards reported by the community colleges to the office of postsecondary services in the department of labor and economic growth.

(2) It is the intent of the legislature that community colleges use any funds appropriated pursuant to subsection (1) to increase nursing program completions and expand existing nursing program capacity. These funds may be used for any of the following:

(a) Maintaining sustainability of existing programs in order to ensure that current programs are not reduced or eliminated due to high operational costs.

(b) Reducing attrition by utilizing counselors, mentors, better assessment and screening tools, and other student support services to ensure that students who enter a nursing program complete that program.

(c) Purchasing equipment and technology to increase efficiency and program capacity through the use of simulators, software, online curriculum development, and other program technology.

(d) Retaining and acquiring qualified faculty in an increasingly competitive recruiting market.

(3) By January 1, 2008, each community college receiving funds under this section shall report to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the department of management and budget on the impact of these funds on nursing program completions at that college. In addition, each community college shall include in its report its plans for future nursing program enrollment expansion and indicate any barriers to that expansion.

REPORTS AND AUDITS

Sec. 501. The department of labor and economic growth shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2008, for use by the legislature during budget development for the fiscal year ending September 30, 2009.

Sec. 502. (1) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

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

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

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

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic growth, and the state budget director before November 15, 2007. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2007:

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

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

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

(3) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2008.

Sec. 507. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the prior academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2007, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2007-2008 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2007-2008 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth within 15 days of being adopted.

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

Sec. 509. (1) Each community college shall report to the department of labor and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2007.

(2) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2008.

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

Sec. 511. (1) At least 30 days before submission of a new state plan to the United States department of education for approval under the Perkins act, the department of labor and economic growth shall provide copies of the proposed plan to the members of the senate and house appropriations subcommittees on community colleges for their review and comment. Copies of the proposed plan shall be provided to the senate and house fiscal agencies and the state budget director at the same time that they are provided to the senate and house subcommittees.

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

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

Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges, the department of career development, and the department of management and budget not later than March 1, 2008. The report shall include, but is not limited to, the following:

(a) Estimated revenue losses for each community college for the calendar year 2007.

(b) Confirmed revenue losses for each community college for the calendar years 2005 and 2006.

(c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

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

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Joan Bauer
Pam Byrnes
Darwin Booher
Conferees for the House

Bill Hardiman
Michelle McManus
Irma Clark-Coleman
Conferees for the Senate

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. 501

Yeas—95

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

Nays—14

Agema	Green	Hune	Robertson
Caswell	Hildenbrand	Meekhof	Sheen
DeRoche	Hoogendyk	Palmer	Steil
Garfield	Huizenga		

In The Chair: Sak

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

“Mr. Speaker and members of the House:

This bill has removed the prohibition of abortion services and same sex benefits. It’s also a 10% increase in spending.”

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

“Mr. Speaker and members of the House:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state’s economy or its citizens. However, it will take more money out of people’s paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive

out more employers, increasing unemployment and further exacerbating Michigan’s plight. We might as well put a red flashing light at the state line warning businesses not to come here.

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?”

Senate Bill No. 234, entitled

A bill to make appropriations for the department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local 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. 234, entitled

A bill to make appropriations for the department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

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 department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2008, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	4,282.5	
GROSS APPROPRIATION.....		\$ 1,301,230,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	34,472,800	
ADJUSTED GROSS APPROPRIATION		\$ 1,266,757,900
Federal revenues:		
Total federal revenues	820,712,500	
Special revenue funds:		
Total local revenues	15,884,700	
Total private revenues	5,314,300	
Total other state restricted revenues	378,843,700	
State general fund/general purpose		\$ 46,002,700

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2008

Sec. 102. DEPARTMENTAL ADMINISTRATION

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	179.0	
Unclassified salaries		\$ 5,349,400
Executive director programs—53.0 FTE positions		6,622,100
Regulatory efficiency improvements/backlog reduction initiative		475,600
Property management.....		10,519,200
Rent		17,015,600
Worker’s compensation		1,381,000
Special project advances		940,000
HR optimization charges		259,700
Administrative services—126.0 FTE positions.....		13,059,500
GROSS APPROPRIATION.....		\$ 55,622,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health		300,000
Federal revenues:		
DOE-OEERE, multiple grants.....		9,300
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants		4,902,300
DOL-ETA, unemployment insurance		13,570,600
DOL-ETA, workforce investment act.....		882,100
DOL, federal funds		2,334,500
DOL, multiple grants for safety and health.....		776,900
Federal revenues		578,000
HHS, temporary assistance for needy families		347,000
HHS, titles XVIII and XIX		34,100
Special revenue funds:		
Private - special project advances		940,000
Local revenues		131,300
Bank fees		540,800
Boiler fees.....		254,000
Construction code fund		1,071,700
Consumer finance fees		177,600
Contingent fund, penalty and interest account		861,400
Contingent fund, regular penalty and interest		4,100
Corporation fees.....		5,132,100
Credit union fees.....		350,800
Elevator fees		268,600
Fees and collections/asbestos		76,200
Fire service fees.....		792,500
Insurance licensing and regulation fees.....		1,910,800
Insurance regulatory fees		1,098,400
Land sales fees.....		15,000
Licensing and regulation fees.....		822,600
Liquor license revenue		100,000
Liquor purchase revolving fund		5,536,700
Manufactured housing commission fees.....		263,600
Michigan state housing development authority fees and charges		4,021,500
Motor carrier fees		185,200
Public utility assessments		2,171,300
Private occupational school license fees		14,000
Rehabilitation services fees.....		90,300
Safety education and training fund.....		572,100
Second injury fund.....		257,000
Securities fees.....		2,409,700
Self-insurers security fund		87,300
Silicosis and dust disease fund.....		111,300

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Tax tribunal fees		189,300
State general fund/general purpose	\$	1,430,100
Sec. 103. OFFICE OF FINANCIAL AND INSURANCE SERVICES		
Full-time equated classified positions		288.0
Administration—21.0 FTE positions	\$	4,162,400
Policy conduct and consumer assistance—86.0 FTE positions		14,177,900
Financial evaluation—181.0 FTE positions		27,073,000
GROSS APPROPRIATION	\$	45,413,300
Appropriated from:		
Federal revenues:		
Federal regulatory project revenue		50,400
Special revenue funds:		
Bank fees		7,469,200
Consumer finance fees		4,891,500
Credit union fees		5,404,000
Deferred presentment service transaction fees		1,307,400
Insurance continuing education fees		903,400
Insurance licensing and regulation fees		3,912,600
Insurance regulatory fees		19,231,000
Multiple employer welfare arrangement		72,300
Securities fees		2,171,500
State general fund/general purpose	\$	0
Sec. 104. PUBLIC SERVICE COMMISSION		
Full-time equated classified positions		170.0
Administration, planning and regulation—159.0 FTE positions	\$	21,797,600
Energy office—9.0 FTE positions		5,342,100
Children's protection registry administration—2.0 FTE positions		271,200
GROSS APPROPRIATION	\$	27,410,900
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants		4,828,100
DOT-RSPA, gas pipeline safety		984,900
Special revenue funds:		
Private - oil overcharge		30,000
Children's protection registry fund		271,200
Motor carrier fees		2,220,100
Public utility assessments		18,076,600
Video franchise assessments		1,000,000
State general fund/general purpose	\$	0
Sec. 105. LIQUOR CONTROL COMMISSION		
Full-time equated classified positions		152.0
Management support services—28.0 FTE positions	\$	3,403,100
Liquor licensing and enforcement—124.0 FTE positions		12,175,000
GROSS APPROPRIATION	\$	15,578,100
Appropriated from:		
Special revenue funds:		
Liquor license revenue		6,362,200
Liquor purchase revolving fund		9,215,900
State general fund/general purpose	\$	0
Sec. 106. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
Full-time equated classified positions		266.0
Payments on behalf of tenants	\$	140,000,000
Housing and rental assistance program—266.0 FTE positions		37,256,600
GROSS APPROPRIATION	\$	177,256,600
Appropriated from:		
Federal revenues:		
HUD, lower income housing assistance program		140,000,000

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Special revenue funds:	
Michigan state housing development authority fees and charges	37,256,600
State general fund/general purpose	\$ 0

Sec. 107. OCCUPATIONAL REGULATION

Full-time equated classified positions	421.0
Boiler inspection program—25.0 FTE positions	\$ 2,764,400
Fire marshal program—5.0 FTE positions	448,200
Fire fighters training council—8.0 FTE positions	1,743,400
Fire safety program funding—44.0 FTE positions	4,333,300
Code enforcement—120.0 FTE positions	13,036,700
Commercial services—156.0 FTE positions	17,651,200
Elevator inspection program—30.0 FTE positions	2,938,800
Local manufactured housing communities inspections	250,000
Manufactured housing and land resources program—22.0 FTE positions	3,191,800
Property development group—11.0 FTE positions	1,569,400
GROSS APPROPRIATION	\$ 47,927,200

Appropriated from:

IDG from department of community health, inspection contract	68,500
IDG from department of state police, homeland security	754,300
FEMA	28,000
DOT	47,000
HHS, titles XVIII and XIX	700,000
Accountancy enforcement fund	103,600
Boiler fee revenue	3,166,300
Construction code fund	12,222,000
Corporation fees	5,857,900
Elevator fees	3,313,000
Fire alarm fees	99,000
Fire service fees	1,706,600
Homeowner construction lien recovery fund	1,537,900
Licensing and regulation fees	10,758,700
Mobile home code fund	2,771,800
Michigan boxing fund	45,000
Property development fees	282,900
Real estate appraiser continuing education fund	47,000
Real estate education fund	272,100
Remonumentation fees	709,500
Security business fund	314,600
State general fund/general purpose	\$ 3,121,500

Sec. 108. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH

ADMINISTRATION

Full-time equated classified positions	229.0
Occupational safety and health—229.0 FTE positions	\$ 26,198,200
GROSS APPROPRIATION	\$ 26,198,200

Appropriated from:

Federal revenues:

DOL, multiple grants for safety and health	12,197,000
Special revenue funds:	
Corporation fees	2,279,600
Fees and collections/asbestos	863,300
Licensing and regulation fees	1,174,800
Safety education and training fund	7,848,700
Securities fees	1,834,800
State general fund/general purpose	\$ 0

Sec. 109. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION

Full-time equated classified positions	1,251.0
Administration—96.6 FTE positions	\$ 9,896,800
Board of magistrates and appellate commission—19.4 FTE positions	3,270,900

	For Fiscal Year Ending Sept. 30, 2008
Wage and hour division—35.0 FTE positions	3,090,100
Insurance funds administration—28.0 FTE positions	4,590,200
Supplemental benefit fund	820,000
Unemployment programs—1,002.7 FTE positions	94,340,500
Advocacy assistance program	1,500,000
Special audit and collections program—34.0 FTE positions	2,879,700
Training program for agency staff—2.1 FTE positions	1,807,300
Expanded fraud control program—33.2 FTE positions	3,184,900
GROSS APPROPRIATION	\$ 125,380,400
Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration	677,400
DOL-ETA, unemployment insurance	93,347,500
Federal Reed act funds	4,487,500
Special revenue funds:	
Corporation fees	2,346,200
Contingent fund, regular penalty and interest account	14,459,400
Licensing and regulation fees	789,700
Second injury fund	2,471,200
Securities fees	2,346,900
Self-insurers security fund	1,168,300
Silicosis and dust disease fund	950,700
Worker's compensation administrative revolving fund	2,335,600
State general fund/general purpose	\$ 0
Sec. 110. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES	
Full-time equated classified positions	163.0
Administrative hearings and rules—163.0 FTE positions	\$ 21,788,000
GROSS APPROPRIATION	\$ 21,788,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health	1,704,200
IDG from department of corrections	3,801,800
IDG from department of education	1,064,200
IDG from department of environmental quality	522,000
IDG from department of human services	3,338,000
IDG from department of management and budget	42,000
Federal revenues:	
DOL-ETA, unemployment insurance	6,336,700
DOL, multiple grants for safety and health	202,700
Special revenue funds:	
Construction code fund	292,900
Corporation fees	365,700
Insurance regulatory fees	347,000
Licensing and regulation fees	1,074,000
Liquor purchase revolving fund	119,800
Manufactured housing commission fees	143,300
Public utility assessments	1,272,800
Safety education and training fund	195,600
Securities fees	888,600
Tax tribunal fees	76,700
State general fund/general purpose	\$ 0
Sec. 111. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 42,799,100
GROSS APPROPRIATION	\$ 42,799,100
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance	21,091,700
DOL, multiple grants for safety and health	273,700

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Federal revenues	5,877,400
HHS, temporary assistance for needy families	176,300
Special revenue funds:	
Bank fees	487,100
Boiler fee revenue	327,200
Construction code fund	944,600
Consumer finance fees	198,700
Corporation fees.....	1,797,300
Credit union fees.....	274,600
Elevator fees	259,700
Fees and collections/asbestos	11,000
Fire service fees.....	520,700
Insurance regulatory fees	711,500
Land bank fast track fund	204,500
Licensing and regulation fees.....	1,168,000
Liquor purchase revolving fund	3,212,000
Manufactured housing commission fees.....	74,200
Michigan state housing development authority fees and charges	2,038,000
Motor carrier fees	118,600
Public utility assessments	890,900
Safety education and training fund.....	352,700
Second injury fund.....	149,200
Securities fees.....	1,509,200
Self-insurers security fund	70,100
Silicosis and dust disease fund.....	60,200
State general fund/general purpose	\$ 0
Sec. 112. WORKFORCE DEVELOPMENT	
Full-time equated classified positions	965.5
Employment services—246.0 FTE positions	\$ 48,523,600
Jobs education training pilot—31.0 FTE positions.....	9,401,100
Jobs education training statewide expansion—62.0 FTE positions.....	13,476,700
Labor market information—52.0 FTE positions	6,340,200
Michigan rehabilitation services—513.5 FTE positions	70,737,800
Workforce programs administration—61.0 FTE positions.....	12,749,400
GROSS APPROPRIATION.....	\$ 161,228,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of human services	22,877,800
Federal revenues:	
DAG, employment and training	178,700
DED-OPSE, multiple grants.....	1,222,900
DED-OSERS, centers for independent living	58,200
DED-OSERS, rehabilitation long-term training	316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	53,247,500
DED-OSERS, state grants for technical related assistance	56,000
DOL-ETA, workforce investment act.....	7,539,200
DOL, federal funds	48,273,400
DOL, ODEP.....	225,000
HHS-SSA, supplemental security income	3,763,300
HHS, temporary assistance for needy families	3,320,200
Special revenue funds:	
Private - gifts, bequests, and donations	816,000
Local revenue	4,269,600
Local vocational rehabilitation match	3,054,000
Contingent fund, penalty and interest account	1,809,900
Rehabilitation services fees.....	1,347,000
Second injury fund.....	51,500

	For Fiscal Year Ending Sept. 30, 2008
Student fees	308,000
Training materials fees	256,400
State general fund/general purpose	\$ 8,237,300
Sec. 113. CAREER EDUCATION PROGRAMS	
Full-time equated classified positions	30.0
Postsecondary education—14.0 FTE positions	\$ 2,691,200
Adult education—16.0 FTE positions	2,494,300
GROSS APPROPRIATION	\$ 5,185,500
Appropriated from:	
Federal revenues:	
Federal revenues	3,789,900
Special revenue funds:	
Private occupational school license fees	432,800
Defaulted loan collection fees	100,000
State general fund/general purpose	\$ 862,800
Sec. 114. DEPARTMENT GRANTS	
Adult basic education	\$ 20,000,000
Carl D. Perkins grants	19,000,000
Focus: HOPE	5,860,200
Gear-up program grants	3,000,000
Workforce training programs subgrantees	184,587,800
Personal assistance services	459,500
Vocational rehabilitation client services/facilities	55,549,500
Vocational rehabilitation independent living	3,079,700
Welfare-to-work programs	107,938,600
Fire protection grants	10,910,500
Low-income energy efficiency assistance	80,000,000
Liquor law enforcement grants	6,100,000
Remonumentation grants	14,000,000
Michigan nursing corps	1,500,000
Michigan housing and community development fund	2,163,400
Private grant funded projects	3,000,000
GROSS APPROPRIATION	\$ 517,149,200
Appropriated from:	
Federal revenues:	
DAG, employment and training	7,000,000
DED-OESE, gear-up	3,000,000
DED-OSERS, centers for independent living	450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	35,797,900
DED-OSERS, rehabilitation services facilities	2,272,500
DED-OSERS, supported employment	1,541,300
DED-OSERS, state grants for technical related assistance	2,240,800
DED-OVAE, adult education	20,000,000
DED-OVAE, basic grants to states	19,000,000
DOL-ETA, workforce investment act	181,602,700
DOL, federal funds	17,985,100
HHS, temporary assistance for needy families	72,299,000
HHS-SSA, supplemental security income	3,480,600
Special revenue funds:	
Private - gifts, bequests, and donations	400,000
Private revenues	3,000,000
Local vocational rehabilitation match	6,630,500
Local vocational rehabilitation facilities match	1,278,300
Contingent fund, penalty and interest account	1,000,000
Low-income energy efficiency fund	80,000,000
Fire protection fund	8,500,000
Liquor purchase revolving fund	2,410,500

	For Fiscal Year Ending Sept. 30, 2008
Liquor license revenue	6,100,000
Remonumentation fees	14,000,000
State general fund/general purpose	\$ 27,159,800
Sec. 115. BOARDS, AUTHORITIES AND COMMISSIONS	
Full-time equated classified positions	168.0
MES board of review program—18.0 FTE positions	\$ 2,307,500
Rights-of-way oversight authority—5.0 FTE positions	560,500
Land bank fast track authority—6.0 FTE positions	1,831,300
Commission on Spanish-speaking affairs—2.0 FTE positions.....	251,700
Commission on disability concerns—7.0 FTE positions	1,068,900
Commission for the blind—94.0 FTE positions	19,830,900
Utility consumer representation	950,000
Youth low vision program.....	241,800
Tax tribunal—15.0 FTE positions	2,006,900
Employment relations—21.0 FTE positions	3,243,800
GROSS APPROPRIATION.....	\$ 32,293,300
Appropriated from:	
Federal revenues:	
Federal revenues	14,992,600
DOL-ETA, unemployment insurance	2,307,500
EEOC, federal funds	10,000
Special revenue funds:	
Private revenues	128,300
Local revenues	521,000
Corporation fees.....	220,500
Land bank fast track funds.....	1,831,300
METRO authority fund	560,500
Securities fees.....	3,533,200
State restricted revenues	560,200
Tax tribunal fees	1,487,000
Utility consumer representation fund	950,000
State general fund/general purpose	\$ 5,191,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2007-2008 is \$424,846,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$51,470,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Fire protection grants.....	\$ 10,910,500
Liquor law enforcement	6,100,000
Local manufactured housing inspections.....	250,000
Remonumentation grants.....	14,000,000
Fire fighters training council.....	1,710,400
Welfare to work	18,499,600
Total department of labor and economic growth	\$ 51,470,500

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

Sec. 203. As used in this act:

- (a) “DAG” means the United States department of agriculture.
- (b) “DED” means the United States department of education.
- (c) “DED-OESE” means the DED office of elementary and secondary education.
- (d) “DED-OPSE” means the DED office of postsecondary education.
- (e) “DED-OSERS” means the DED office of special education rehabilitation services.
- (f) “DED-OVAE” means the DED office of vocational and adult education.
- (g) “Department” means the department of labor and economic growth.

- (h) "Director" means the director of the department of labor and economic growth.
- (i) "DOE" means the United States department of energy.
- (j) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (k) "DOL" means the United States department of labor.
- (l) "DOL-ETA" means the DOL employment and training administration.
- (m) "DOL-ODEP" means the DOL office of disability employment policy.
- (n) "DOT" means the United States department of transportation.
- (o) "DOT-RSPA" means the DOT research and special programs administration.
- (p) "EEOC" means equal employment opportunity commission.
- (q) "FEMA" means federal emergency management agency.
- (r) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (s) "FTE" means full-time equated.
- (t) "HHS" means the United States department of health and human services.
- (u) "HHS-SSA" means HHS social security administration.
- (v) "HR" means human resources.
- (w) "HUD" means the United States department of housing and urban development.
- (x) "IDG" means interdepartmental grant.
- (y) "MES" means Michigan employment security.
- (z) "METRO" means metropolitan extension telecommunications rights-of-way oversight.
- (aa) "MIOSHA" means Michigan occupational safety and health administration.
- (bb) "SOAHR" means the state office of administrative hearings and rules.
- (cc) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

(2) The state budget director 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. 208. 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 the 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 shall take all reasonable steps to ensure that Michigan 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 Michigan businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

Sec. 213. 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. 214. 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. 215. (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 subcommittees, the joint committee on administrative rules, and the 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. 216. It is the intent of the legislature that all revenue sources for funds appropriated in part 1 shall not be aggregated into general categories and shall be specifically identified and detailed as much as possible.

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

Sec. 220. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

Sec. 221. 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. 222. From the funds 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 subcommittees, and the 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. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,500,000.00 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 \$13,200,000.00 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 \$8,180,000.00 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 \$550,000.00 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.

REGULATORY

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund and the fire protection fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Sec. 302. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

Sec. 306. The Michigan state housing development authority shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 308. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.

Sec. 310. Money appropriated under this act for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>		<u>Fee</u>
\$101,000.00 or less		minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00		\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00		\$1.30 per \$1,000.00
\$10,000,001.00 or more		\$1.10 per \$1,000.00
		or a maximum fee of \$60,000.00.

Sec. 313. If the revenue collected by the department from licensing and regulation fees collected by the office of commercial services exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs.

These funds may be spent after the department notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 317. The department, MIOSHA, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 335. The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance services.

Sec. 337. The department shall not expend funds from the appropriations in part 1 for the office of financial and insurance services for the purpose of implementing prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until the legislature has, by statute, authorized such a prohibition.

Sec. 340. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the fiscal agencies on a timely basis. Reports can be transmitted electronically if available in that format.

Sec. 350. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, "covered person" means that term as defined in section 3 of the patient's right to independent review act, 2000 PA 251, MCL 550.1903.

Sec. 352. From the funds appropriated in part 1 for unclassified salaries, the department shall provide funding for 5 worker's compensation appellate commissioners and 26 worker's compensation board of magistrates. Expenditures shall be made so that the 2 bodies shall decide worker's compensation cases in a timely manner.

Sec. 355. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1, 2008 and September 1, 2008, the department shall provide a report to the fiscal agencies and appropriations subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

Sec. 356. The Michigan commission for the blind shall work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds.

Sec. 357. From the funds appropriated in part 1 for commercial services, the department may allocate not more than \$50,000.00 for the resumption of printing the real estate law and rules book (red book). The red book shall include, but is not limited to, real estate laws and regulations and related statutes. The red book will be provided at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Any other party seeking a copy of the red book may purchase the book from the bureau of commercial services at the bureau's cost to produce the book or may print the bureau's Internet version of the red book at no cost.

Sec. 358. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through on-line

courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish on-line courses that would be made available to students throughout the year.

Sec. 361. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 362. Of the funds appropriated in part 1 for the department, \$200,000.00 may be used for administration and enforcement of boxing regulation in Michigan.

Sec. 364. The department and MSHDA shall report to the subcommittees and the fiscal agencies by January 1 on the status of the loans entered into by the Michigan broadband development authority.

Sec. 365. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than \$40,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan.

Sec. 368. Funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section 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. 369. The video franchise assessment fund is created and shall exist in the state treasury and shall receive revenue as provided in the uniform video services local franchise act, 2006 PA 480, MCL 484.3301 to 484.3314. All interest and earnings of the fund may be retained by the fund per the direction of the state treasurer. Money in the fund at the close of the fiscal year may carry forward to the new fiscal year and be used as the first source of funds in the subsequent fiscal year.

Sec. 370. (1) MSHDA shall provide a report to the appropriations subcommittees by June 1 on the cities of promise blight elimination program. The report shall include:

- (a) Those cities designated as cities of promise.
- (b) The amount awarded to each designated city.
- (c) A description of the projects in each designated city.
- (d) The amount of private or local funds that were used as match for these projects.

(2) It is the intent of the legislature that MSHDA allocate at least \$750,000.00 from the cities of promise blight elimination program for each of the cities of Saginaw and Flint for building demolition.

Sec. 375. The public service commission shall implement a process for the low-income energy efficiency fund grants that shall require an application deadline of May 1 and the award announcements on October 1 of each year.

Sec. 376. By January 15, 2008, the liquor control commission, in conjunction with the authorized distribution agents shall submit a report to the subcommittees with an estimate on how much state revenue is lost due to spirits being purchased from other states and brought into Michigan for individual consumption or illegal resale. The report shall include the estimated cost of increasing the number of law enforcement officers needed, or other technological methods to be used, to reduce the amount of out-of-state spirits being transported and sold in Michigan illegally.

Sec. 377. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The department shall report by January 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act funds appropriated under this section.

WORKFORCE AND CAREER DEVELOPMENT

Sec. 401. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 402. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112.

Sec. 403. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 404. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living that are in compliance with federal standards for such centers, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent

with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

(2) As a condition of receipt of funds appropriated in part 1, the statewide independent living council and the Michigan association of centers for independent living shall jointly produce a biennial report providing the following information:

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

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

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

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

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

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

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

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

Sec. 405. The department shall administer the work first program in accordance with the requirements of the social security act, title IV, section 407(d), the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 406. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

(a) The number and percentage employed.

(b) The average hourly wage of those employed.

(c) The current hourly wage of those employed.

(d) The range of wages earned by those employed.

(e) The number of individuals that earned each wage amount.

(f) The number and percentage receiving health care benefits from their employer.

(g) The number and percentage receiving tuition reimbursement from their employer.

(h) The number and percentage receiving training benefits from their employer.

(i) The type of jobs obtained by former participants in general categories.

(j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.

(k) The number and percentage continuing to receive any type of public assistance.

(l) If the former recipient has children, whether the children are enrolled in and attending school.

(m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.

(2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.

(3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

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

Sec. 407. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, and parents of public school pupils.

Sec. 408. (1) From the funds appropriated in part 1, it is the intent of the legislature that the department identify ways to enhance local access to baccalaureate degree opportunities in applied sciences and applied technologies through better utilizing the existing capacity of community colleges. Funds in part 1 may be used by the department to commission an independent study to determine where in Michigan these programs would be most beneficial in meeting current and projected economic and workforce development needs, and where community college capacity exists to develop baccalaureate level programs quickly. The study should consider criteria such as the following:

(a) Regions that have historically been dependent on manufacturing and automotive related industries where workers have been displaced or are in transition.

(b) Communities that are significantly below the state average of working age adults with 4-year degrees.

(c) Locations served by community colleges that have a strong track record for advanced technical training, workforce development programs, and employer partnerships.

(d) Communities that do not contain a public university already offering similar degree opportunities.

(e) Locations where the community college has both faculty and facilities already in place that are capable of supporting baccalaureate level programs in applied technical fields.

(f) Evidence of employer support and future employment opportunities for graduates of the programs.

(2) The department may commission and receive the study and present a report, not later than April 1, 2008, analyzing the study to the appropriations committees of the house and senate, the state budget office, and the fiscal agencies.

Sec. 409. Within 10 days after the receipt of a grant appropriated in the private grant funded projects line item in part 1, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

Sec. 410. (1) The department shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works! service centers, as resources permit, during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who requires intensive services beyond core services, as defined by section 134 of the workforce investment act of 1998, 29 USC 2864, whether that individual is a veteran. That employee shall refer each veteran to the disabled veterans outreach program specialist or local veterans employment representative on duty at the time.

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

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

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

Sec. 415. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

Sec. 417. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 418. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees, the fiscal agencies, and the state budget office by February 1 of each year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

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

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

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

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

Sec. 421. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide electronic notification of the location of the report on the Internet to the subcommittees by December 30 of each year, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source, and any expenditures or encumbrances relating to this marketing effort.

Sec. 427. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MICHild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Sec. 429. (1) As a condition for receipt of the funds appropriated in part 1, Focus: HOPE shall submit a report on the use of the grant's funds appropriated in part 1 to the chairs of the subcommittees, the fiscal agencies, and the state budget office that includes, but is not limited to, the following:

- (a) Detailed expenditures for administration including salaries and wages of employees.
 - (b) Amount allocated for education and training programs including number of students served by each program.
 - (c) Amount allocated for job search assistance and career planning including the number of students served by each program.
 - (d) Detailed expenditures for any contracts entered into with the use of these funds.
 - (e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.
- (2) The report shall be submitted on or before January 31.

Sec. 430. Funding in part 1 for the jobs, education and training (JET) statewide expansion in fiscal year 2008 shall not be allocated and released by the state budget director until savings are achieved and documented from the fiscal year 2007 JET program implementation in 50% of the state. The method for documenting JET savings for fiscal year 2007 shall be proposed by the department of human services and approved by the state budget director.

Sec. 431. (1) From the appropriation in part 1 for the Michigan nursing corps, grants shall be awarded to Michigan institutions of higher education consisting of public 4-year institutions, public 2-year institutions, independent colleges and universities, and tribally controlled community colleges with existing, accredited nursing baccalaureate or post-graduate education programs. The purpose of the grants is to prepare registered nurses and increase the number of nursing faculty. The department may also award grants on a matching basis to licensed hospitals that agree to provide nurse educators and related clinical training to additional student nurses in partnership with institutions of higher education described in this subsection. Awards shall be made in a manner and form as determined by the department, in collaboration with the department of community health.

(2) One or more grants may be awarded to educational institutions for preparation of additional nurse faculty in programs that meet 1 or more of the following:

- (a) Preparation of master's-degreed nursing faculty in a nationally accredited, accelerated program. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.
- (b) Preparation of doctoral-degreed nursing faculty in an accelerated program within an existing, accredited doctor of philosophy in nursing program. Participants must be currently enrolled doctoral students who will be able to complete their doctoral degree program within 2 years. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.
- (c) Preparation of clinical instructors for nursing education programs. A common statewide curriculum will be developed by a consortium of the grantee institutions. The program shall include classroom instruction plus a practicum with students and patients. This program shall require collaborative agreements between nursing education programs and hospitals. It is expected that each graduate will provide clinical instruction for at least 1 cohort of nursing students per year.

(3) A program receiving a grant under subsection (2) shall provide that eligible participating students under subsection (2) are registered nurses willing to participate full-time in accredited programs and become employed in Michigan as nursing faculty or clinical instructors for a minimum number of years, as determined by the department of community health, upon completion of the program. The department of community health shall establish procedures for recovery of funds from students who do not remain employed in Michigan for the prescribed time period.

(4) One or more grants may be awarded for preparation of registered nurses in accredited, accelerated bachelor's in nursing programs. These programs shall be targeted toward Michigan workers who have been displaced from employment and who possess a bachelor's degree in a science-related area. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(5) Program management, data management, and evaluation for these projects shall be the responsibility of the department of community health, in collaboration with the department.

(6) The funds appropriated in part 1 for the Michigan nursing corps are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for the expenditure of grants until the project has been completed. The total cost of the work project is estimated at \$1,500,000.00 and the tentative completion date is September 30, 2009.

Sec. 432. (1) Of the funds appropriated in part 1 for the workforce training programs subgrantees, the department shall provide a report by July 1, 2008 to the house and senate chairs of the subcommittees and the fiscal agencies on the status of the no-worker-left-behind program. The report shall include the following:

- (a) The amount of funding allocated to each Michigan works! agency.
- (b) The number of participants enrolled in the program by each Michigan works! agency.
- (c) The average duration of training for program participants by each Michigan works! agency.

(d) The number of participants enrolled in remedial education programs and the number of participants enrolled in literacy programs.

(e) The number of participants enrolled in programs at 2-year institutions.

(f) The number of participants enrolled in 4-year institutions.

(g) The number of participants enrolled in proprietary schools or other technical training programs.

(h) The number of participants that have completed education or training programs.

(2) Data collection for the report shall be for the period August 1, 2007 through May 30, 2008.

Sec. 433. (1) The department shall use all relevant data sources available to compile data on participants in the JET pilot program and the 50% expansion of that program that was implemented January 1, 2007. The report shall include the following:

(a) How many participants were enrolled in training.

(b) How many participants completed training.

(c) How many participants completed training and were employed as a result of that training.

(d) How many cases were closed.

(e) How many cases were referred to Michigan rehabilitation services.

(2) Data collection for the report shall be for the period January 15, 2007 through December 30, 2007.

(3) The report shall be submitted by March 1 to the subcommittees and the fiscal agencies.

(4) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

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

Sec. 434. (1) The department shall collaborate with the state board of education, the department of human services, the department of community health, and the department of history, arts, and libraries 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. Funds 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 cochairs, representing the department, the state board of education, the department of human services, the department of history, arts, and libraries and the department of community health 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) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the department. 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 legislature and governor.

Sec. 435. The department shall ensure that school districts and career preparation programs operated by school districts are eligible education providers under the no worker left behind program and programs funded by the federal workforce investment act.

Sec. 437. From the funds appropriated in part 1 for welfare-to-work programs, \$140,000.00 shall be allocated to Focus: HOPE to design a pilot program which will improve the job placement and retention of welfare recipients. The pilot shall address barriers to employment identified by the department of human services jobs, education, and training program. In developing this program, Focus: HOPE shall work collaboratively with the department of human services, community colleges, and universities.

Sec. 438. (1) From the funds appropriated in part 1 for the Michigan housing and community development fund, \$2,163,400.00 shall be allocated to the Michigan state housing development authority (MSHDA) for projects as described in sections 58c and 58d of the state housing development authority fund act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(2) MSHDA shall report by May 1 to the subcommittees, fiscal agencies, and the state budget office on the status of the projects described in subsection (1), including the statewide allocation plan, number of applicants, amounts requested, description of projects, amounts awarded, number of housing units that have been or are projected to be created, and income levels of the households that have been or are projected to be served.

Sec. 439. From the funds appropriated in part 1 for land bank fast track authority, \$400,000.00 shall be used for additional maintenance or demolition of all tax reverted properties.

Third: 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 labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to

provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Mark Jansen
Thomas M. George
Martha G. Scott
Conferees for the Senate

Richard Hammel
Joan Bauer
Jack Brandenburg
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. 502

Yeas—82

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

Nays—27

Agema	Hildenbrand	Meltzer	Pearce
Casperson	Hoogendyk	Moss	Robertson
Caswell	Hune	Nitz	Sheen
DeRoche	Jones, Rick	Opsommer	Stahl
Elsenheimer	Knollenberg	Palmer	Stakoe
Emmons	Marleau	Pastor	Steil
Garfield	Meekhof	Pavlov	

In The Chair: Sak

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

“Mr. Speaker and members of the House:

I can not pass this budget when the economic increases are in place for state employees and our private businesses are losing jobs and cutting wages and benefits to their employees.”

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

“Mr. Speaker and members of the House:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state’s economy or its citizens. However, it will take more money out of people’s paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive out more employers, increasing unemployment and further exacerbating Michigan’s plight. We might as well put a red flashing light at the state line warning businesses not to come here.

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?”

Senate Bill No. 231, entitled

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local 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. 231, entitled**

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; to prescribe powers and duties of certain state departments and certain state and local agencies and officers; and to repeal acts and parts of acts.

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 department of history, arts, and libraries for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local 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 history, arts, and libraries 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 HISTORY, ARTS, AND LIBRARIES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	230.0	
GROSS APPROPRIATION.....		\$ 49,502,900

For Fiscal Year
Ending Sept. 30,
2008

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	139,200
ADJUSTED GROSS APPROPRIATION	\$ 49,363,700
Federal revenues:	
Total federal revenues	7,307,400
Special revenue funds:	
Total private revenues	112,400
Total other state restricted revenues	2,645,600
State general fund/general purpose	\$ 39,298,300
Sec. 102. DEPARTMENT OPERATIONS	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	32.0
Unclassified salaries	\$ 228,600
Management services—31.0 FTE positions.....	2,786,400
Building occupancy charges and rent	3,277,800
Worker’s compensation	9,000
Film office—1.0 FTE positions.....	180,300
Human resources optimization user charges.....	16,500
GROSS APPROPRIATION.....	\$ 6,498,600
Appropriated from:	
State general fund/general purpose	\$ 6,498,600
Sec. 103. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 1,099,200
GROSS APPROPRIATION.....	\$ 1,099,200
Appropriated from:	
Mackinac Island state park fund	47,000
State general fund/general purpose	\$ 1,052,200
Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS	
Full-time equated classified positions	5.0
Administration—5.0 FTE positions.....	\$ 434,400
Arts and cultural grants.....	7,754,000
GROSS APPROPRIATION.....	\$ 8,188,400
Appropriated from:	
NFAH-NEA, promotion of the arts, partnership agreements	700,000
State general fund/general purpose	\$ 7,488,400
Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION	
Full-time equated classified positions	39.0
Mackinac Island park operation—24.3 FTE positions.....	\$ 1,544,100
Historical facilities system—14.7 FTE positions	1,948,500
GROSS APPROPRIATION.....	\$ 3,492,600
Appropriated from:	
Federal funds	200,000
Mackinac Island state park operation fund.....	160,200
Mackinac Island state park fund	1,566,000
State general fund/general purpose	\$ 1,566,400
Sec. 106. MICHIGAN HISTORICAL PROGRAM	
Full-time equated classified positions	83.0
Historical administration and services—71.0 FTE positions	\$ 5,812,800
Federal programs—12.0 FTE positions	850,000
Heritage publications	700,000
Private grants and gifts	112,400
Thunder Bay national marine sanctuary and underwater preserve.....	202,000
Michigan history day	25,000
GROSS APPROPRIATION.....	\$ 7,702,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOT, comprehensive transportation fund.....	3,800

For Fiscal Year
Ending Sept. 30,
2008

IDG-MDOT, state aeronautics fund.....		2,300
IDG-MDOT, state trunkline fund		133,100
Federal revenues:		
DOI-NPS, historic preservation grants-in-aid.....		850,000
Special revenue funds:		
Private - grants and gifts.....		10,000
Private - Mann house trust fund.....		102,400
Game and fish protection fund.....		3,700
Heritage publication fund.....		700,000
Marine safety fund.....		400
Special revenue, internal service and pension trust.....		49,200
State lottery fund		19,100
State services fee fund		12,300
Waterways fund		800
State general fund/general purpose	\$	5,815,100
Sec. 107. LIBRARY OF MICHIGAN		
Full-time equated classified positions	71.0	
Book distribution centers	\$	350,000
Collected gifts and fees.....		86,900
Library of Michigan operations—71.0 FTE positions		6,022,600
Library services and technology act.....		5,557,400
State aid to libraries.....		10,000,000
Subregional state aid.....		505,000
GROSS APPROPRIATION.....	\$	22,521,900
Appropriated from:		
Library services and technology act.....		5,557,400
User fees.....		86,900
State general fund/general purpose	\$	16,877,600

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 \$41,943,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$11,536,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants.....	\$	1,031,300
State aid to libraries.....		10,000,000
Subregional state aid.....		505,000
Total department of history, arts, and libraries.....	\$	11,536,300

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

Sec. 203. As used in this appropriation act:

- (a) "Department" means the department of history, arts, and libraries.
- (b) "Director" means the director of the department of history, arts, and libraries.
- (c) "DOI-NPS" means the United States department of interior, national park service.
- (d) "Fiscal agencies" means the house fiscal agency and the senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "IDG" means interdepartmental grant.
- (g) "MCACA" means the Michigan council for arts and cultural affairs.
- (h) "MDOT" means the Michigan department of transportation.
- (i) "NEA" means the national endowment for the arts.
- (j) "NFAH" means the national foundation of the arts and the humanities.
- (k) "Subcommittees" means all members of the appropriate subcommittees of the senate and house of representatives

appropriations committees.

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, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

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

Sec. 208. Unless otherwise specified, the department 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. (1) The department shall report to the senate and house appropriation subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies 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.

(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. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

Sec. 213. 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. 214. 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. 215. (1) The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, and facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. Fees for services shall be reasonably related to the cost of providing the services and shall be used to offset the costs of the services. The department may receive and expend funds in addition to those authorized in part 1 for the following:

(a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.

(b) Microfilming and other document and data imaging services, media, storage, and copies.

(c) Patron copier and document reproduction services and copies.

(d) Conferences, training classes, exhibits, programs, and workshops conducted as part of the department's mission.

(e) Use of specialized equipment, facilities, and software that permit distance learning and meetings, and group decision making.

- (f) Special services including the rental of department exhibits and collections.
- (g) Application fees.
- (h) Grants, gifts, and bequests, including those for capital projects.

(2) The funds received under this section shall be deposited in and expended from the history, arts, and libraries fund established in section 216 of this act.

Sec. 216. (1) A fund known as the history, arts, and libraries fund is created in the department. The fund shall be used to receive and expend funds in addition to those authorized in part 1. All funds are allocated for expenditure upon receipt. The fund balance may be carried forward for expenditure in subsequent fiscal years.

(2) The department shall provide a report to the senate and house of representatives appropriations subcommittees on history, arts, and libraries of all revenues to and expenditures from the history, arts, and libraries fund. The report shall include an estimated fund balance for the fiscal year ending September 30, 2008. The report is due November 1, 2008.

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 of representatives 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 senate and house of representatives 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. It is the intent of the legislature to explore supplemental fund sourcing options for the department of history, arts, and libraries.

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 220. The department shall publish the proposed minutes of the Michigan film advisory commission on the Internet within 8 business days after the meeting to which the minutes refer. Approved minutes of the Michigan film advisory commission shall be posted on the Internet within 8 business days after their approval.

Sec. 222. 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. 223. 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 or for those activities that the attorney general authorizes.

Sec. 224. (1) The department of history, arts, and libraries shall collaborate with the state board of education, the department of human services, the department of community health, and the department of labor and economic growth 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. Funds 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, representing the department, the state board of education, the department of human services, the department of labor and economic growth, and the department of community health 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) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the Michigan department of history, arts, and libraries. 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 legislature and governor.

Sec. 226. (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 \$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 \$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 \$750,000.00 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. 227. From the funds 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 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.

MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Sec. 401. (1) The MCACA in the department shall administer the arts and cultural grants appropriated in part 1.

(2) The MCACA shall render fair and independent decisions concerning arts and cultural grant requests and shall do all of the following:

(a) Use published criteria to evaluate program quality, including all of the following:

(i) The department's intended goals and outcomes for each program.

(ii) The department's quantifiable measures of success in meeting the intended goals and outcomes.

(b) Seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received.

(c) Give priority to projects that serve multiple counties, leverage significant additional public and private investment, or demonstrate a significant potential to increase tourism or attract or retain businesses or residents.

(3) No payment shall be made under part 1 except upon application submitted in accordance with MCACA published regulations and procedures, which shall ensure both of the following:

(a) Artistic excellence and artistic merit are the criteria by which applications will be judged, taking into consideration general standards of decency and respect for the diverse beliefs and values of the people of this state.

(b) Criteria clearly indicate that obscenity is without artistic merit, is not protected speech, and will not be funded by a grant from appropriations under part 1.

(4) The MCACA shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranteeing program. The MCACA shall provide for an annual assessment of grant management and distribution of mini-grant awards by designated regional regranteeing agencies and review the methodology employed.

(5) The MCACA shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations to transition from solely volunteer-based organizations to professionally directed operations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

(6) The department shall withhold undistributed grant payments from a grant recipient who violates the requirements for funding in subsection (3) and may disqualify the grant recipient from award of future grants for a period of not more than 3 years.

Sec. 402. The MCACA may award grants to counties, cities, villages, townships, community foundations and organizations in the following categories:

(a) Anchor organization program for organizations that serve regional and statewide audiences. Anchor organizations shall demonstrate a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.

(b) Arts projects program.

(c) Arts and learning program.

(d) Artists in residence for education program.

(e) Arts organization development program.

(f) Capital improvement program.

(g) Local arts agencies services program.

(h) Regional regranting program.

(i) Partnership program.

(j) Rural arts and cultural program.

(k) Cultural projects program.

(l) Historical society projects program.

(m) Discretionary grants program.

(n) Cultural and ethnic heritage centers and museums.

Sec. 403. (1) From the state funds appropriated in part 1 for arts and cultural grants, no 1 organization may receive more than 15% of this funding.

(2) The MCACA shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 70% of the total amount appropriated for arts and cultural grants.

(3) As documented in the audit report that is submitted as part of the grant application process, the total of all grants awarded to any organization receiving grants within the anchor organization program may not exceed 15% of their "total unrestricted revenues, gains, and other support", as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations.

(4) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to an eligible recipient, the department shall execute a grant agreement with the recipient. The grant agreement shall identify the projects funded, specify the category in section 402 under which the grant is awarded, and include the prohibitions and sanctions identified in section 401(3) and (6).

Sec. 404. Grant applicants must meet and adhere to the following requirements:

(a) Each applicant shall pay a nonrefundable application fee of \$300.00 or 3% of the desired grant amount, whichever is less. Application fees shall be deposited in the history, arts, and libraries fund established in section 216. The department may use the application fee to offset its direct and indirect costs.

(b) An applicant for a grant under the anchor organization program shall submit with the application the applicant's most recent annual audit report which states their "total unrestricted revenues, gains, and other support", as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations. The audit report must cover an audit period that ends within 18 months of the date of the application.

(c) Each applicant shall identify proposed matching funds from local and/or private sources on a minimum of a dollar-for-dollar basis. The match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions.

Sec. 405. Each grant recipient shall provide the MCACA with the following:

(a) Proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

(b) Within 30 days following the end of the grant period, a final report that includes the following:

(i) Project revenues and expenditures including grant matching fund amounts.

(ii) Number of patrons attracted or benefiting during the grant period.

(iii) A narrative summary of each project and its outcome.

(c) By April 7 of the grant year, each recipient of a grant greater than \$100,000.00 shall submit an interim report that includes the items identified in subdivision (b).

Sec. 406. (1) The department shall make the following reports:

(a) A report identifying the website location that contains a list of all grant recipients, sorted by county. This report shall be provided to each legislator within 1 business day of the announcement of annual awards by the MCACA.

(b) A report to the senate and house of representatives appropriations subcommittees, the state budget office, and the fiscal agencies, within 30 days after the MCACA announces the annual grant awards, that includes all of the following:

(i) A listing of each applicant.

(ii) The county of residence of the applicant.

(iii) The amount requested.

- (iv) The amount awarded.
- (v) The grant category under which an applicant applied.
- (vi) A summary of projects funded for each recipient.
- (vii) The expected number of patrons for an applicant during the grant period.
- (viii) The amount of matching funds proposed by each applicant.
- (ix) A listing containing the applicant, county of residence of the applicant, and amount awarded for any regranted funds in the preceding fiscal year.

(c) An annual report to the appropriations subcommittees, the state budget office, and the fiscal agencies is due when materials are first distributed by the MCACA seeking grant applications for the subsequent fiscal year. The report shall contain the following:

- (i) The MCACA guidelines for awarding grants.
 - (ii) A summary of any changes in the program guidelines from the previous fiscal year.
- (2) The council shall report to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries by August 1 all unexpended or unencumbered discretionary grant funding that is available. The council shall not redistribute any unexpended or unencumbered grant funds during the fiscal year without a 10-day notice to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries.

MICHIGAN HISTORICAL PROGRAM

Sec. 501. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, and preservation of historic resources. The method used will be to solicit applications, score applications based upon established criteria, and award subgrants. The department shall execute a grant agreement with each recipient. The total cost is \$85,000.00, and the tentative completion date is September 30, 2008.

Sec. 502. Funds collected by the department under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department for the purposes for which they were received, are allocated for expenditure upon receipt and may be carried forward for expenditure in subsequent fiscal years.

Sec. 503. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 505. From the funds appropriated in part 1 for historical administration and services, \$25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.

Sec. 506. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department and may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries 1 week prior to any auctions or sales.

Sec. 507. Unless prohibited by law, the department shall make available to the historical society of Michigan the use of the Michigan history magazine subscriber list, or a portion of the Michigan history magazine subscriber list, at a cost not to exceed the actual expense incurred for providing a single mailing.

LIBRARY OF MICHIGAN

Sec. 601. In order to receive subregional state aid as appropriated in part 1 to the library of Michigan, a subregional library's fiscal agency must agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a subregional library's fiscal agency or a reduction in expenditures for the subregional library's fiscal agency, a reduction in expenditures for the subregional library shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1.

Sec. 602. The funds appropriated in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

Sec. 607. The funds appropriated in part 1 for book distribution centers shall be distributed equally to the public enrichment foundation and the Michigan friends of education.

MACKINAC ISLAND STATE PARK COMMISSION

Sec. 701. There is appropriated \$200,000.00 from the Mackinac Island State Park operations fees fund to the Mackinac Island state park commission, historic projects division, revenue bond fund for infrastructure improvements.

Third: 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 history, arts, and libraries for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Thomas M. George
Michelle McManus
Irma Clark-Coleman
Conferees for the Senate

Aldo Vagnozzi
Fran Amos
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. 503**Yeas—102**

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

Nays—7

Hoogendyk	Meekhof	Robertson	Warren
Marleau	Pearce	Sheen	

In The Chair: Sak

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

“Mr. Speaker and members of the House:

I can not approve the funding decreases for our important libraries. These vital community resources are used by many school children, seniors, and home school students.”

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

“Mr. Speaker and members of the House:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state’s economy or its citizens. However, it will take more money out of people’s paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive out more employers, increasing unemployment and further exacerbating Michigan’s plight. We might as well put a red flashing light at the state line warning businesses not to come here.

I do 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?”

Senate Bill No. 235, entitled

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

The 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. 235, entitled

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Recommends:

First: That the House 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 department of military and veterans affairs for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

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

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	1,015.0	
GROSS APPROPRIATION.....		\$ 129,430,700

For Fiscal Year
Ending Sept. 30,
2008

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	1,680,900
ADJUSTED GROSS APPROPRIATION	\$ 127,749,800
Federal revenues:	
Total federal revenues	56,187,500
Special revenue funds:	
Total local revenues	1,283,900
Total private revenues	1,463,300
Total other state restricted revenues	28,428,600
State general fund/general purpose	\$ 40,386,500
Sec. 102. HEADQUARTERS AND ARMORIES	
Full-time equated unclassified positions	7.0
Full-time equated classified positions	123.0
Headquarters and armories—82.5 FTE positions	\$ 10,742,500
Unclassified military personnel	665,000
Military appeals tribunal	900
Michigan emergency volunteers	5,000
State active duty	90,100
Challenge program—40.5 FTE positions	4,696,300
Homeland security	1,000,000
Human resources optimization user charge	62,600
Military family relief fund	600,000
GROSS APPROPRIATION	\$ 17,862,400
Appropriated from:	
IDG, challenge grant	260,000
IDG, community health	100,000
IDG, state police	900,000
IDG, human services	420,900
Federal revenues:	
DOD-DOA-NGB	5,226,900
Special revenue funds:	
Local - school aid fund	1,283,900
Rental fees	350,000
Mackinac Bridge authority	60,000
Private donations	819,700
Military family relief fund	600,000
Private - parent pay revenue	103,600
State general fund/general purpose	\$ 7,737,400
Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES	
Full-time equated classified positions	200.0
Military training sites and support facilities—200.0 FTE positions	\$ 24,444,100
Military training sites and support facilities test projects	100,000
GROSS APPROPRIATION	\$ 24,544,100
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB	20,746,600
Special revenue funds:	
Regional training institute fund	1,500,000
Test project fees	100,000
State general fund/general purpose	\$ 2,197,500
Sec. 104. DEPARTMENTWIDE APPROPRIATIONS	
Departmentwide accounts	\$ 1,660,100
Special maintenance - state	651,200
Special maintenance - federal	5,300,000
Military retirement	3,048,000
Counter narcotic operations	50,000
Starbase grant	957,000
GROSS APPROPRIATION	\$ 11,666,300

For Fiscal Year
Ending Sept. 30,
2008

Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	7,523,100
Federal counternarcotic revenues.....	50,000
State general fund/general purpose.....	\$ 4,093,200
Sec. 105. VETERANS SERVICE ORGANIZATIONS	
American legion.....	\$ 886,000
Disabled American veterans.....	732,400
Marine corps league.....	336,300
American veterans of World War II and Korea.....	464,800
Veterans of foreign wars.....	886,000
Michigan paralyzed veterans of America.....	165,700
Purple heart.....	157,900
Veterans of World War I.....	100
Polish legion of American veterans.....	41,200
Jewish veterans of America.....	41,200
State of Michigan council - Vietnam veterans of America.....	159,500
Catholic war veterans.....	41,200
GROSS APPROPRIATION.....	\$ 3,912,300
Appropriated from:	
State general fund/general purpose.....	\$ 3,912,300
Sec. 106. GRAND RAPIDS VETERANS' HOME	
Full-time equated classified positions.....	517.0
Grand Rapids veterans' home—517.0 FTE positions.....	\$ 48,413,800
Board of managers.....	665,000
GROSS APPROPRIATION.....	\$ 49,078,800
Appropriated from:	
Federal revenues:	
DVA-VHA.....	15,504,500
HHS, Medicaid.....	153,500
HHS, Medicare.....	1,550,900
Special revenue funds:	
Private - veterans' home post and posthumous funds.....	415,000
Income and assessments.....	14,806,400
Military family relief fund.....	250,000
Lease revenue.....	12,200
State general fund/general purpose.....	\$ 16,386,300
Sec. 107. D.J. JACOBETTI VETERANS' HOME	
Full-time equated classified positions.....	159.0
D.J. Jacobetti veterans' home—159.0 FTE positions.....	\$ 15,599,000
Board of managers.....	275,000
GROSS APPROPRIATION.....	\$ 15,874,000
Appropriated from:	
Federal revenues:	
DVA-VHA.....	4,479,600
HHS, Medicare.....	497,600
HHS, Medicaid.....	10,300
Special revenue funds:	
Private - veterans' home post and posthumous funds.....	125,000
Military family relief fund.....	150,000
Income and assessments.....	5,300,100
State general fund/general purpose.....	\$ 5,311,400
Sec. 108. VETERANS' AFFAIRS DIRECTORATE	
Full-time equated classified positions.....	16.0
Veterans' affairs directorate administration—3.0 FTE positions.....	\$ 336,500
Veterans' trust fund administration—13.0 FTE positions.....	1,222,300
Veterans' trust fund grants.....	3,746,500
GROSS APPROPRIATION.....	\$ 5,305,300

For Fiscal Year
Ending Sept. 30,
2008

Appropriated from:	
Special revenue funds:	
Michigan veterans' trust fund	4,968,800
State general fund/general purpose	\$ 336,500
Sec. 109. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 1,187,500
GROSS APPROPRIATION	\$ 1,187,500
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB	116,500
DVA-VHA	318,600
HHS, Medicare	9,400
Special revenue funds:	
Income and assessments	331,100
State general fund/general purpose	\$ 411,900

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2007-2008 is \$68,815,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

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

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

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

Sec. 203. As used in this act:

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

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

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This 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. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 212. (1) Of the funds appropriated in part 1 for military training sites and support facilities, there shall be established a Michigan national guard education assistance program. Disbursements to the educational assistance program shall not exceed \$1,100,000.00 without legislative approval. Under the program, a member of the national guard who is in active service and who enrolls as a full- or part-time student at a public or private state college or university may be eligible to receive up to an equivalent of 50% of the total cost of tuition not to exceed \$2,000.00, as education assistance, in any academic year.

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

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

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

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

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

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

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

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

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

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

Sec. 214. It is the intent of the legislature that, should the necessary legislation be enacted and funding become available, funds be appropriated for state military cemeteries in Crawford and Dickinson counties.

Sec. 221. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 223. 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. 225. (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 chairs and members of 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. 226. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 227. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

Sec. 228. 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. 229. There is hereby created and established under the jurisdiction and control of the department a revolving account to be known as the regional training institute conference center account. All of the fees and other revenues generated from the operation of the regional training institute conference center shall be deposited in the regional training institute conference center account. Appropriations shall be made from the account for the support of program operations and the maintenance and operations of the regional training institute, the construction and maintenance of morale, welfare, and recreation facilities on Fort Custer or training areas within Michigan, and shall not exceed the estimated revenues for the fiscal year in which they are made, together with unexpended balances from prior years. The department shall submit an annual report of operations and expenditures regarding the regional training institute conference center account to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director at the end of the fiscal year.

Sec. 230. The regional training institute conference center shall be available but not limited to the following:

(a) Military personnel.

(b) Federal, state, and local government agencies.

(c) Educational institutions.

(d) Nonprofit corporations or associations organized pursuant to the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(e) Community service clubs.

(f) Groups of persons with disabilities.

(g) Members of the legislature for the purposes related to the business of the legislature.

(h) Entities and organizations that wish to use the conference center to host an event that has a military agenda.

Sec. 231. (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. 232. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

HEADQUARTERS AND ARMORIES

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

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

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

Sec. 304. The department will partner with the department of human services to identify youth who may be eligible for the challenge program from those youth served by department of human services programs. These eligible youth shall be given priority for enrollment in the program.

VETERANS SERVICE ORGANIZATIONS

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

(2) To receive a grant from the money appropriated in part 1, a veterans service organization shall meet the following eligibility requirements:

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

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

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

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

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

(3) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2009 to the department by November 15, 2007. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal

year ending September 30, 2007 to the department by January 31, 2008. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2007. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this act. The department shall forward information required under this section to the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

(4) The veterans service directors committee and the department shall take steps to improve the coordination of veterans benefits counseling in the state to maximize the effective and efficient use of taxpayer dollars in this goal and to ensure that every veteran is served.

(5) To accomplish the goal of subsection (4), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

(a) Increase the veterans service directors committee and the department's role in working directly with the United States department of veterans' affairs to enhance the delivery of services to Michigan veterans.

(b) Increase the number of initial claims filed with the United States department of veterans' affairs on behalf of veterans for service-connected disability or pension benefits. The veterans service directors committee and the department may work toward either an absolute increase of approved claims or an increase in the percentage of Michigan veterans with approved claims.

(c) Develop methods to increase rates of recovery paid by the United States department of veterans' affairs to Michigan veterans either by an increase in compensation paid per approved claim or increase in compensation paid on a per capita basis.

(d) Expand training opportunities for veterans service organization service officers.

(e) Increase either the number or percentage of Michigan veterans enrolled in the VA health care system.

(f) Publicize the availability, benefit, and value of burial in the Fort Custer and Great Lakes national cemeteries.

(g) Review each grant recipient's performance under the program and require that performance be a major consideration in the future funding of each grant recipient.

(h) Identify areas of redundancy which may exist among services provided by veterans service organizations grantees, Michigan veterans trust fund county committees, and county veterans counselors and provide a proposal on how any redundancies may be minimized and identify specific cost savings which could result.

(6) The veterans service directors committee and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans' benefits counseling program may best be designed for implementation for fiscal year 2008-2009. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2008.

VETERANS' HOMES

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

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2008.

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

Sec. 604. The department shall, prior to altering the spending plan by the board of managers of post and posthumous funds, report to the appropriate senate and house appropriations subcommittees 30 days prior to that action and shall indicate the rationale for that decision.

VETERANS' TRUST FUND

Sec. 703. By April 1, 2008, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2006-2007. The report shall include information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized

agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs and restore the Michigan veterans' trust fund corpus to its original amount of \$50,000,000.00.

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

Third: 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 military and veterans affairs for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Valde Garcia
Tony Stamas
Jim Barcia
Conferees for the Senate

Richard LeBlanc
John Espinoza
Mike Nofs
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. 504

Yeas—101

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

Nays—8

Agema
Calley

Hildenbrand
Lahti

Lindberg
Meadows

Pearce
Sak

In The Chair: Sak

Rep. Agema, having reserved the right to explain his nay vote, made the following statement:
 “Mr. Speaker and members of the House:
 This bill cut the Grand Rapids Vet home by \$400,000.”

Senate Bill No. 238, entitled

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

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. 238, entitled

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

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 department of state police and certain other state purposes for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

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 state police 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 STATE POLICE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	3.0	
Full-time equated classified positions	2,899.0	
GROSS APPROPRIATION.....		\$ 566,533,600

For Fiscal Year
Ending Sept. 30,
2008

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	26,143,700
ADJUSTED GROSS APPROPRIATION	\$ 540,389,900
Federal revenues:	
Total federal revenues	146,240,200
Special revenue funds:	
Total local revenues	8,739,100
Total private revenues	262,500
Total state restricted revenues	111,318,800
State general fund/general purpose	\$ 273,829,300
Sec. 102. EXECUTIVE DIRECTION	
Full-time equated unclassified positions	3.0
Full-time equated classified positions	39.0
Unclassified positions	\$ 366,100
Law enforcement resource study	250,000
Executive direction—34.0 FTE positions	1,525,400
Special operations and events	2,500,000
Auto theft prevention program—5.0 FTE positions	10,752,200
GROSS APPROPRIATION	\$ 15,393,700
Appropriated from:	
Interdepartmental grant revenues:	
Special revenue funds:	
Auto theft prevention fund	10,752,200
Motor carrier fees	450,000
State general fund/general purpose	\$ 4,191,500
Sec. 103. DEPARTMENTWIDE APPROPRIATIONS	
Special maintenance and utilities	\$ 447,600
Rent and building occupancy charges	9,399,300
Worker's compensation	2,901,000
Fleet leasing	16,184,100
In-service training - law enforcement distribution	450,000
In-service training - competitive	600,000
Narcotics investigation funds	265,000
GROSS APPROPRIATION	\$ 30,247,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training academy charges	265,400
IDT, Michigan justice training fund	1,050,000
Federal revenues:	
Federal narcotics investigation revenues	95,000
DOT	23,600
DHS	163,100
Special revenue funds:	
Forensic science reimbursement fee	94,200
Narcotics investigation revenues	170,000
State forensic laboratory fund	94,200
Criminal justice information center service fees	186,600
Secondary road patrol and training fund	6,600
Hazardous materials training center fees	98,400
Michigan justice training fund	13,600
Motor carrier fees	7,000
Highway safety fund	7,500
Traffic law enforcement and safety fund	14,800
State general fund/general purpose	\$ 27,957,000
Sec. 104. SUPPORT SERVICES	
Full-time equated classified positions	213.0
Human resources—25.0 FTE positions	\$ 2,239,400
Human resources optimization user charges	178,300

	For Fiscal Year Ending Sept. 30, 2008
Management services—114.0 FTE positions.....	12,404,900
Training administration—37.0 FTE positions.....	5,781,500
Communications—12.0 FTE positions.....	2,730,300
Budget and financial services—25.0 FTE positions.....	2,265,900
GROSS APPROPRIATION.....	\$ 25,600,300
Appropriated from:	
Interdepartmental grant revenues:	
IDT, auto theft funds.....	26,900
IDG, training academy charges.....	3,191,700
IDT, truck safety fund.....	5,000
IDG-MDOT, state trunkline fund.....	2,300
IDG-MDTR, casino gaming fees.....	42,100
IDG-MDTR, emergency telephone fund coordinator.....	419,900
IDG-MDTR, emergency telephone fund operations.....	476,800
IDG-MDOS.....	2,000
IDG-MDOC, contract.....	1,072,800
Federal revenues:	
DOT.....	212,600
Special revenues funds:	
Local - LEIN fees.....	255,500
Local - MPSCS subscriber fees.....	26,600
Local - school bus revenue.....	1,300
Highway safety fund.....	138,700
Auto theft prevention fund.....	6,700
Nuclear plant emergency planning reimbursement.....	5,600
Precision driving track fees.....	287,200
Criminal justice information center service fees.....	758,600
Traffic law enforcement and safety fund.....	239,700
Reimbursed services.....	1,374,500
Forensic science reimbursement fees.....	36,700
Drunk driving prevention and training fund.....	1,300
Hazardous materials training center fees.....	500
Michigan justice training fund.....	2,300
Narcotics investigation revenues.....	1,200
Secondary road patrol and training fund.....	1,700
Truck driver safety fund.....	1,100
Motor carrier fees.....	237,300
State general fund/general purpose.....	\$ 16,771,700
Sec. 105. HIGHWAY SAFETY PLANNING	
Full-time equated classified positions.....	26.0
State program planning and administration—14.0 FTE positions.....	\$ 1,216,600
Secondary road patrol program—2.0 FTE positions.....	14,029,900
Truck safety program—2.0 FTE positions.....	3,000,300
Federal highway traffic safety coordination—8.0 FTE positions.....	10,593,000
GROSS APPROPRIATION.....	\$ 28,839,800
Appropriated from:	
Federal revenues:	
DOT.....	10,728,500
DOJ.....	575,600
Special revenue funds:	
Truck driver safety fund.....	3,000,300
Secondary road patrol and training fund.....	14,029,900
State general fund/general purpose.....	\$ 505,500
Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER	
Full-time equated classified positions.....	90.0
Criminal justice information center division—73.0 FTE positions.....	\$ 9,200,100
Criminal records improvement—1.0 FTE position.....	2,240,500
Traffic safety—16.0 FTE positions.....	2,684,600
GROSS APPROPRIATION.....	\$ 14,125,200

For Fiscal Year
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Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOS.....	281,700
IDG-MDCH, crime victim's rights fund.....	475,800
IDG-MDOT, state trunkline fund.....	871,000
Federal revenues:	
DOJ.....	2,240,500
DOT.....	1,454,700
Special revenue funds:	
Traffic crash revenue.....	77,200
Sex offender registration fund.....	60,500
Criminal justice information center service fees.....	8,663,800
State general fund/general purpose.....	\$ 0
Sec. 107. FORENSIC SCIENCES	
Full-time equated classified positions.....220.0	
Laboratory operations—180.0 FTE positions.....	\$ 18,934,400
DNA analysis program—40.0 FTE positions.....	7,079,100
GROSS APPROPRIATION.....	\$ 26,013,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, crime victims rights fund.....	430,000
Federal revenues:	
DOJ.....	4,054,200
Special revenue funds:	
Forensic science reimbursement fees.....	423,900
State forensic laboratory fund.....	1,497,000
State general fund/general purpose.....	\$ 19,608,400
Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS	
Full-time equated classified positions.....28.0	
Standards and training—22.0 FTE positions.....	\$ 2,204,300
Justice training grants—4.0 FTE positions.....	7,916,900
Concealed weapons enforcement training.....	140,000
Training only to local units—2.0 FTE positions.....	770,300
Mental health awareness training.....	100,000
Officer's survivor tuition program.....	48,500
Public safety officers benefit program.....	150,000
GROSS APPROPRIATION.....	\$ 11,330,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOC.....	100,000
Federal revenues:	
DOJ.....	182,600
Special revenue funds:	
Secondary road patrol and training fund.....	770,300
Michigan justice training fund.....	8,042,700
Licensing fees.....	5,300
Concealed weapons enforcement fee.....	140,000
State general fund/general purpose.....	\$ 2,089,100
Sec. 109. EMERGENCY MANAGEMENT	
Full-time equated classified positions.....72.0	
Emergency management planning and administration—55.0 FTE positions.....	\$ 4,804,500
Grants to local government.....	2,482,100
FEMA program assistance—3.0 FTE positions.....	1,027,400
Nuclear power plant emergency planning—6.0 FTE positions.....	1,513,600
Hazardous materials programs—8.0 FTE positions.....	102,239,200
GROSS APPROPRIATION.....	\$ 112,066,800

For Fiscal Year
Ending Sept. 30,
2008

Appropriated from:	
Federal revenues:	
DOT	583,800
DHS	106,317,300
Special revenue funds:	
Nuclear plant emergency planning reimbursement	1,513,600
Hazardous materials training center fees	1,503,300
State general fund/general purpose	\$ 2,148,800
Sec. 110. POST UNIFORM SERVICES	
Full-time equated classified positions	1,578.0
Uniform services—422.0 FTE positions	\$ 46,931,200
Security guards—15.0 FTE positions	1,097,000
Reimbursed services	1,709,000
At-post troopers—1,141.0 FTE positions	138,355,100
Calumet post acquisition	450,000
GROSS APPROPRIATION	\$ 188,542,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDMB, building occupancy charges	648,400
Special revenue funds:	
Highway safety fund	15,451,400
Traffic law enforcement and safety fund	29,303,000
State police service fees	1,709,000
State general fund/general purpose	\$ 141,430,500
Sec. 111. STATEWIDE FIELD OPERATIONS	
Full-time equated classified positions	70.0
Operational support—53.0 FTE positions	\$ 5,927,600
Traffic services—10.0 FTE positions	3,861,000
Aviation program—7.0 FTE positions	1,453,200
GROSS APPROPRIATION	\$ 11,241,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, crime victim's rights fund	121,500
IDG-MDOT, state trunkline fund	365,700
IDG-MDOC, contract	97,500
Federal revenues:	
DOT	1,878,900
Special revenue funds:	
Private donations	262,500
Rental of department aircraft	51,200
Drunk driving prevention and training fund	1,280,300
State general fund/general purpose	\$ 7,184,200
Sec. 112. SPECIAL INVESTIGATIONS	
Full-time equated classified positions	349.0
Criminal investigations—233.0 FTE positions	\$ 31,492,700
Federal antidrug initiatives—62.0 FTE positions	9,949,200
Reimbursed services, materials, and equipment	2,641,000
Auto theft prevention—9.0 FTE positions	1,675,000
Casino gaming oversight—32.0 FTE positions	4,404,300
Fire investigation—13.0 FTE positions	1,542,300
Fire investigation training to locals	50,000
GROSS APPROPRIATION	\$ 51,754,500
Appropriated from:	
Interdepartmental grant revenues:	
IDT, auto theft funds	1,364,300
IDG-MDTR, casino gaming fees	4,404,300
IDG-MDCH, tobacco tax	610,000

For Fiscal Year
Ending Sept. 30,
2008

Federal revenues:	
Federal investigations - reimbursed services	750,500
DOJ.....	7,020,600
Federal narcotics investigation revenues	464,100
Special revenue funds:	
Local - reimbursed services	1,890,500
Narcotics investigation revenues	668,200
Forfeiture funds	510,500
State general fund/general purpose	\$ 34,071,500
Sec. 113. MOTOR CARRIER ENFORCEMENT	
Full-time equated classified positions	214.0
Motor carrier enforcement—106.0 FTE positions	\$ 10,449,300
Truck safety enforcement team operations—10.0 FTE positions.....	1,325,000
Safety inspections—64.0 FTE positions.....	8,156,200
School bus inspections—16.0 FTE positions	1,395,300
Safety projects—18.0 FTE positions	2,115,900
GROSS APPROPRIATION.....	\$ 23,441,700
Appropriated from:	
Interdepartmental grant revenues:	
IDT, truck safety fund.....	1,325,000
IDG-MDOT, state trunkline fund	8,235,300
Federal revenues:	
DOT.....	8,640,900
Special revenue funds:	
Local school bus revenue.....	1,395,300
Motor carrier fees	3,845,200
State general fund/general purpose	\$ 0
Sec. 114. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 17,931,200
Michigan public safety communications system	10,005,800
GROSS APPROPRIATION.....	\$ 27,937,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDTR, casino gaming fees.....	85,700
IDG-MDOT, state trunkline fund	90,500
IDG, training academy charges	32,600
IDG-MDOS.....	47,700
IDG-MDTR, emergency telephone fund coordinator.....	1,800
Federal revenues:	
DOJ.....	516,600
DHS	263,800
DOT.....	73,300
Special revenue funds:	
Local - LEIN fees	3,582,900
Local - AFIS fees.....	38,800
Local - MPSCS subscriber fees.....	1,544,000
Local - school bus revenue	4,200
Auto theft prevention fund.....	3,800
Criminal justice information center service fees	1,129,300
Drunk driving prevention and training fund.....	2,900
Forensic science reimbursement fees	1,128,400
Hazardous materials center fees	1,100
Michigan justice training fund	221,200
Narcotics investigation revenue	2,700
Nuclear plant emergency planning reimbursement.....	4,900
Precision driving track fees.....	300
Secondary road patrol and training fund	86,800

For Fiscal Year
Ending Sept. 30,
2008

Sex offender registration fund.....	208,500
State forensic laboratory fund.....	347,500
State police service fees.....	7,500
Truck driver safety fund.....	2,400
Reimbursed services	8,100
Motor carrier fees	628,600
State general fund/general purpose	\$ 17,871,100

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 \$385,148,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$20,594,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE

OFFICE OF HIGHWAY SAFETY PLANNING

Secondary road patrol program	\$ 13,889,600
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MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Training only to local units.....	\$ 650,200
Justice training grants	5,528,100

SPECIAL INVESTIGATIONS

Fire investigation training for locals	50,000
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SUPPORT SERVICES

Communications	\$ 476,800
Total.....	\$ 20,594,700

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) "AFIS" means the automated fingerprint identification system.
- (b) "Department" means the department of state police.
- (c) "DHS" means the United States department of homeland security.
- (d) "DNA" means deoxyribonucleic acid.
- (e) "DOJ" means the United States department of justice.
- (f) "DOT" means the United States department of transportation.
- (g) "FEMA" means the federal emergency management agency.
- (h) "FTE" means full-time equated.
- (i) "IDG" means interdepartmental grant.
- (j) "IDT" means intradepartmental transfer.
- (k) "LEIN" means law enforcement information network.
- (l) "MCOLES" means the Michigan commission on law enforcement standards.
- (m) "MDCH" means the Michigan department of community health.
- (n) "MDMB" means the Michigan department of management and budget.
- (o) "MDOC" means the Michigan department of corrections.
- (p) "MDOS" means the Michigan department of state.
- (q) "MDOT" means the Michigan department of transportation.
- (r) "MDTR" means the Michigan department of treasury.
- (s) "MPSCS" means the Michigan public safety communications system.

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

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

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

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This 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, for the department. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 211. It is the intent of the legislature that personnel of the department who request and are eligible for reimbursement of expenses related to the operation of the department be reimbursed from the appropriations provided in this act within 30 days after submitting a request, or the eligible personnel shall be paid an additional amount equal to 0.75% of the payment due. The department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

Sec. 213. (1) It is the intent of the legislature that the department shall not provide any subsidy for contractual services it provides.

(2) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services, including, but not limited to, retirement and overtime costs.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to state agencies.

Sec. 214. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 215. Not later than January 1, 2008, the department shall report to the state police appropriations subcommittees of the house and senate and the house and senate fiscal agencies. The report shall contain the following information regarding the department's activities related to casino gaming oversight during fiscal year 2006-2007:

(a) The amount of money received and expended.

(b) The nature and structure of the casino gaming oversight unit.

(c) The positions and classifications of employees assigned.

(d) The number of full-time and part-time employees and the aggregate number of FTEs.

(e) The number of enlisted and civilian positions.

(f) The duties and responsibilities of the assigned employees.

(g) The immediate past position of the enlisted employees assigned.

Sec. 216. The department shall collect and computerize the vehicle identification number (VIN) of all vehicles that are entered into the state accident data collection system and make this and other vehicle information available to the public at cost. For bulk access to the accident records in which the VIN has been collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

Sec. 217. From the funds appropriated in part 1, the department shall maintain a toll-free hotline in collaboration with the department of education. The toll-free hotline shall be operated 24 hours per day, 7 days per week, and shall provide students, school officials, and other individuals an opportunity to report specific threats of imminent school violence or other suspicious or criminal conduct by juveniles to the appropriate local law enforcement entities for investigation. The department may expend funds for the promotion of the hotline.

Sec. 218. (1) Funds appropriated in part 1 for at-post troopers shall only be expended for trooper salaries, wages, benefits, retirement, equipment, supplies, and other expenses directly related to state troopers assigned to general law enforcement duties at a department post, detachment, satellite office, or a resident trooper function.

(2) It is the intent of the legislature that every effort be made to identify funding sufficient to conduct a trooper school for the purpose of working toward the goal of establishing a minimum at-post trooper strength of 1,075 in this state.

(3) The department shall submit quarterly written reports to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than December 1, 2007, March 1, 2008, June 1, 2008, and September 1, 2008 which shall include a trooper strength report and the status of the department's plan for accomplishing the goal of subsection (2). If the department determines that insufficient appropriations exist under part 1 to accomplish the goal of subsection (2), the department shall submit a proposal outlining a plan to accomplish the goal including an accounting of any additional funding necessary to that end.

Sec. 219. The department of state police shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies not less than 180 days before recommending to close or consolidate any state police posts. The notification shall include a local and state impact study of the proposed post closure or consolidation.

Sec. 220. (1) The department of state police, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or are seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to those communities until adequate law enforcement services can be provided to those communities by other means.

(2) Not later than May 1, 2008, the department shall deliver to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies a report on the additional costs incurred by the department in each locality for providing the services described in subsection (1) during the first 6 months of the fiscal year 2007-2008.

Sec. 221. The department of state police may pursue entering into an agreement with Calhoun County to build a new facility in Marshall which would serve as a new state police post to replace the current state police post in Battle Creek.

Sec. 223. (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 chairs and members of the senate and house of representatives standing committees on appropriations, 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. 224. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 225. It is the intent of the legislature that the administration, working with the MCOLES, continue the long-held practice that all revenue made available to the department from the Michigan justice training fund be used solely for costs directly related to the delivery of Michigan justice training fund grants, so that in the future, eligible entities as provided under 1982 PA 302, MCL 18.421 to 18.429, will have a stable and accurate source of training funds.

Sec. 226. The department of state police, in cooperation with the department of information technology and others, shall take steps to encourage the development of state, local, and regional tactical interoperable communication plans with

the ultimate goal being to ensure that effective and efficient communication interoperability between radio communication systems of local, regional, state, and federal agencies is established in every area of the state. The department shall provide a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than April 1, 2008 on the current status of reaching this objective. The report shall include an accounting of exactly where within the state desired interoperability has been achieved and what cooperative measures and use of technology were used to achieve this interoperability, and which areas of the state have not yet achieved such status. The report shall also include a description of what strategies need to be employed to ensure that the remaining areas of the state, and the state as a whole, will have a communication system with efficient and effective interoperability, particularly on occasions when a multijurisdictional response to an emergency is warranted.

Sec. 227. (1) From the funds appropriated in part 1, the department of state police is prohibited from transporting employees of institutions of higher education on state-owned aircraft.

(2) 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 or the speaker of the house of representatives, or both.

(3) From the funds appropriated in part 1, the department is prohibited from transporting local government employees on state-owned aircraft.

(4) It is the intent of the legislature that state elected officials use commercial or other private air service, unless air travel on state-owned aircraft is part of official state business.

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

Sec. 230. The unexpended and unencumbered balance of the appropriation for the department contained in 2006 PA 345 shall be used toward the payment of \$400,000.00 to the Michigan state police troopers association. The funds shall be available for appropriation in the fiscal year ending September 30, 2008.

Sec. 232. The department shall place emphasis on recruiting MCOLES certified police officers for the trooper recruit school. Emphasis shall be given in the hiring process to those officers who are on layoff and possess valid MCOLES certification. Any emphasis given in the recruiting and selection process shall be consistent with the department's hiring standards and in accordance with civil service rules. The department shall report to the chairpersons of the senate and house of representatives standing committees on appropriations the results of its recruitment and selection process, including the actual number of certified officers selected for any recruit school that is held by September 30, 2008.

Sec. 233. The appropriation in part 1 for a law enforcement resource study shall be used to contract with a nationally recognized law enforcement research entity to prepare a study that examines the law enforcement needs of each state police district of this state. The study shall provide information concerning the police patrol and response needs within each state police district of this state, baseline coverage recommendations, and information concerning what would be required in terms of personnel and resources to meet the recommendations. The study shall include an inventory of all levels of existing police resources for a given area and how those resources could most efficiently be allocated to achieve the recommendations, along with the amount of any additional resources that may be needed.

Sec. 234. 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. 235. (1) If a spending plan for the funds appropriated in part 1 for special operations and events, or sources of financing related to the spending plan, do not provide the level of program service provided for in the current fiscal year, the funds appropriated in part 1 for post uniform services or forensic sciences shall not be used to fund the shortfall.

(2) If a spending plan for the funds appropriated in part 1 for special operations and events, or sources of financing related to the spending plan, are in excess of that necessary to provide the level of program service provided for in the current fiscal year, the department shall take steps to transfer whatever excess funding may exist to the funds appropriated in part 1 for post uniform services and forensic sciences.

Sec. 236. (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. 237. From the funds appropriated in part 1, the department shall maintain, for the full 2007-08 fiscal year, either the operation of each Michigan state police post which was in operation as of April 2, 2007, or an alternative work station in the vicinity of a current Michigan state police post.

Sec. 238. The department of management and budget shall work with the department of state police to reduce building operations and leasing costs for all Michigan state police facilities and to identify efficiencies and savings.

Sec. 239. It is the intent of the legislature that, should funding become available, funds may be appropriated to the department for traffic control purposes at the Michigan international speedway.

Sec. 240. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

INFORMATION TECHNOLOGY

Sec. 301. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the service and contract maintenance costs of the LEIN system.

Sec. 302. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 303. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and house appropriations committees not later than April 1, 2008.

Sec. 305. The criminal justice information systems policy council shall encourage members of the law enforcement agencies in the state to be sensitive to, and note when necessary, activities or circumstances that may suggest the unauthorized access or misuse of information from the LEIN system. The criminal justice information systems policy council shall advise LEIN auditors, as a part of their audit of law enforcement agencies, to investigate in depth all suspected incidents of improper access or improper use of information from the LEIN system and determine whether or not those incidents were illegal. In those incidents that may be determined to be illegal, the executive secretary for the council shall determine whether those incidents were of a negligent or criminal nature. If an incident is determined to be an illegal act, the council shall inform the chairs of both the senate and house appropriations committees.

Sec. 306. (1) The department of state police, working with the criminal justice information systems policy council, shall implement procedures by which all probation information is placed on the LEIN system. The LEIN system shall include information on each probationer, including any probation conditions placed on a probationer and the name of the probation officer assigned to a probationer. The LEIN system shall also include any nonstandard probation terms.

(2) If the department determines that amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are required to include all probation information on the LEIN system, the department shall deliver to members of the senate and house appropriations subcommittees on state police and military affairs amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, that, in the department's view, are necessary to accomplish this goal. These proposed amendments shall be delivered to subcommittee members not later than December 1, 2007.

Sec. 307. The department of state police shall serve as an active liaison between the department of information technology and local public safety agencies to facilitate the use of the Michigan public safety communications system towers by those local public safety agencies that have an interest in using the towers as a part of their own communications system. The department of state police shall deliver a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs by April 1, 2008, which shall include an assessment of the progress toward establishing local public safety agency use of the Michigan public safety communications system towers, an accounting of problems that may be preventing local use of the towers, and any recommendations the department has that may foster this utilization.

Sec. 308. The department of state police shall report any LEIN fee increase to the senate and house appropriations subcommittees on state police and military and veterans affairs 60 days prior to the effective date of that increase. The report shall contain the following information: the current fee structure and the total revenue earned each year; the new fee structure and the total revenue it is expected to earn annually; the total annual cost of the LEIN system; and the total amount of LEIN fees paid by the department under both the old and the new structure.

Sec. 309. From the funds appropriated in part 1 for information technology, the department may develop and issue a request for proposal for the development, implementation, and maintenance of an electronic system, authorized by the national law enforcement telecommunications system, for real-time enforcement of section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101.

Sec. 310. The appropriation in part 1 for information technology includes efficiencies taken totaling a minimum of \$609,000 in general funds from the governor's original fiscal year 2007-2008 executive recommendation without resulting in a reduction in the quality or amount of information technology applications performed for the department of state police. It is the intent of the legislature that the department of information technology continue to work toward finding ways to reduce costs and identify additional efficiencies for the department while still providing the department with the level of information technology services it needs.

HIGHWAY SAFETY PLANNING

Sec. 401. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on state police and military affairs on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purposes of supporting the secondary road patrol grant program. Each quarterly report shall contain updated information on collection levels, revised projected grant allotments to counties for the year, a comparison of projected collections and grant distribution levels with the funds appropriated in part 1 for the secondary road patrol program, and the extent collection levels have exceeded or failed to meet appropriated levels for the current fiscal year or expenditure levels from the previous fiscal year.

FORENSIC SCIENCES

Sec. 501. (1) The department shall distribute a copy of the department's protocol for retaining and purging DNA analysis samples and records to each police agency in this state.

(2) The department shall report to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies when any changes to the department's DNA protocol are made.

Sec. 502. The department shall work with the department of community health, the Michigan health and hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 601. The money appropriated to the MCOLES for maintenance and delivery of training to locals is provided in accordance with a state reimbursement policy in which 100% of the determined state reimbursement rate shall be distributed upon certification by the MCOLES.

Sec. 602. From the appropriations in part 1 for the training of new state troopers and other new police officers in the state and for the continuing education of all law enforcement officers in the state, sufficient funds shall be used to include curricula on the content and application of federal firearms laws, including the procedures necessary for law enforcement to turn appropriate cases over to the federal bureau of alcohol, tobacco, and firearms or any other applicable federal criminal justice agency.

Sec. 603. The appropriation in part 1 for mental health awareness training shall be made available as grants to local law enforcement agencies for training law enforcement officers in effective and safe ways of assisting people with mental illness and directing people with mental illness to treatment programs.

Sec. 604. From the funds appropriated in part 1 to the Michigan commission on law enforcement standards funds may be used to provide training for motor carrier officers and capitol security officers for the purpose of qualifying them for MCOLES certification.

EMERGENCY MANAGEMENT

Sec. 801. (1) The state director of emergency management may expend money appropriated under this act to call upon any agency or department of the state or any resource of the state to protect life or property or to provide for the health or safety of the population in any area of the state in which the governor proclaims a state of emergency or state of disaster under 1945 PA 302, MCL 10.31 to 10.33, or under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director as soon as possible a complete report of all actions taken under the authority of this section. The report shall contain, as a separate item, a statement of all money expended that is not reimbursable from federal money. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(2) In addition to the money appropriated in this act, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 803. The department's emergency management division shall make every effort to ensure both of the following:

(a) That homeland security grants offered by the federal government and channeled through the department are allocated to first responder entities in the highest percentage possible.

(b) That homeland security grants awarded to the city of Detroit shall not be used to supplant city general funds designated to support first responder operations.

POST UNIFORM SERVICES

Sec. 901. State police enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations, and are responsible for protecting every citizen of this state from harm.

STATEWIDE FIELD OPERATIONS

Sec. 1002. Money privately donated to the department is appropriated under part 1 to be used for the purposes designated by the donor of the money. Money privately donated to the department's canine unit shall be used to purchase equipment and other items to enhance the operation of the canine unit. It is the intent of the legislature that money from private donations not supplant general fund appropriations.

SPECIAL INVESTIGATIONS

Sec. 1101. (1) There is sufficient money appropriated in part 1 to special investigations to ensure that the citizens in a service area of any state police post in the vicinity of a state prison do not experience a downgrading of state police services in their area. Special investigations shall be available by temporary or permanent assignment of a detective when either a temporary or permanent prison facility is opened.

(2) If the department is unable to comply with subsection (1) and there is a prison scheduled to open, the department shall provide troopers to serve as investigators on an interim basis.

Sec. 1102. From the funds appropriated in part 1 for special investigations, the department shall provide a report to the chairpersons of the senate and house of representatives standing committees on appropriations no later than April 1, 2008 concerning methamphetamine-related criminal activities.

MOTOR CARRIER ENFORCEMENT

Sec. 1201. (1) The department shall report to the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies by March 1, 2008 regarding the inspection of school buses and other motor vehicles under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The report shall include the following information regarding inspections conducted in calendar year 2007:

(a) The number of buses and vehicles inspected by the department.

(b) The number of buses and vehicles passing and failing inspection.

(c) The estimated number of buses and vehicles not inspected.

(2) If each school bus within a school system receives a 100% successful state inspection on its first inspection in a given year, the department shall award a certificate to that school system.

Third: 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 state police and certain other state purposes for the fiscal year ending September 30, 2008; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

Valde Garcia
Tony Stamas
Jim Barcia
Conferees for the Senate

Richard LeBlanc
John Espinoza
Mike Nofs
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. 505**Yeas—95**

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

Nays—14

Accavitti	DeRoche	McDowell	Miller
Bieda	Garfield	Meadows	Sheen
Casperson	Hoogendyk	Meltzer	Wojno
Condino	Lindberg		

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:

I cannot vote for these budgets as they are based on increased fees, an income tax increases, and the expansion of sales tax on services on top of all the other taxes. Government deficits are spending problems, not revenue problems. I cannot balance the budget on the backs of Michigan citizens and job providers that are barely hanging on and making ends meet.

Holding government harmless is elitist, disingenuous, and wrong. I was not sent 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 will in no way benefit the state's economy or its citizens. However, it will take more money out of people's paychecks and increase the cost of living, which is a double hit to the consumer. It will drive up the cost of doing business and drive out more employers, increasing unemployment and further exacerbating Michigan's plight. We might as well put a red flashing light at the state line warning businesses not to come here.

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?"

By unanimous consent the House returned to the order of
Motions and Resolutions

Rep. Tobocman moved that a respectful message be sent to the Senate requesting the return of **Senate Bill No. 79**. The motion prevailed.

Reps. Sak, Angerer, Ball, Bennett, Bieda, Brown, Byrnes, Byrum, Condino, Constan, Cushingberry, Dean, Farrah, Gonzales, Green, Hammel, Hammon, Hildenbrand, Hopgood, Rick Jones, Robert Jones, Kathleen Law, LeBlanc, Lemmons, Mayes, Palmer, Pastor, Pearce, Polidori, Proos, Shaffer, Spade, Stahl, Tobocman, Vagnozzi, Valentine, Warren, Palsrok and Clack offered the following resolution:

House Resolution No. 219.

A resolution celebrating the 25th anniversary of the Michigan Children's Trust Fund in honor of its dedication to Michigan's children.

Whereas, The Michigan Children's Trust Fund has been a leader both state and nationally in the field of child abuse prevention for 25 years; and

Whereas, The Michigan Children's Trust Fund has continued to keep us focused on the fact that our children are our lives and our most precious resource; and

Whereas, The Michigan Children's Trust Fund is the only statewide organization dedicated solely to the prevention of child abuse and neglect; and

Whereas, The Michigan Children's Trust Fund was the idea of a renown pediatrician from Michigan State University, Dr. Ray Helfer, who is considered the "father of children's trust funds," which are in every state of the union and our territories; and

Whereas, The Michigan Children's Trust Fund has continued the proud legacy of Dr. Helfer and is a place to develop new ideas, contribute to the development and body of knowledge in the field of prevention, raise awareness and money, educate, effect policy and conduct research; and

Whereas, The Michigan Children's Trust Fund also works to fund and develop a community-based network of child abuse and neglect prevention programs and services which is their most important function; and

Whereas, The importance of the Michigan Children's Trust Fund can be realized by looking at the overwhelming statistics of child abuse and neglect in our state. Every five minutes, a child in Michigan is a victim of child abuse or neglect. Though over 350 cases are reported daily, many more are not. Child abuse and neglect cuts across all socio-economic, geographic, ethnic and gender lines and reflects the current dramatic changes in the American family. There is also a direct correlation between the abuse and neglect perpetrated on our youngest citizens and crime and violence in later years. Further, most child abuse and neglect can be prevented, and for every \$1 spent on prevention, \$34 can be saved on the consequences of abuse, and

Whereas, The Michigan Children's Trust Fund recognizes that child abuse prevention is a community responsibility and not that of any one entity. The fight against child abuse has been, and must be, fought at multiple levels, in collaboration with many partners, including children and families, nationally, state, and locally, and with both individuals and the community; now, therefore, be it

Resolved by the House of Representatives, That the members of this Legislative body celebrate the 25th anniversary of the Michigan Children's Trust Fund. We express our gratitude to the Michigan Children's Trust Fund, along with Executive Director Richard Bearup and Board Chairperson Nancy Moody, in recognition of their service to all children and families of our state as they celebrate their 25th anniversary. We encourage the citizens of our state to help in the protection our most valuable natural resource, our kids.

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 and joint resolution had been printed and placed upon the files of the members on Friday, October 26:

Senate Bill Nos. 846 847 848 849 850 851 852 853 854 855 856
Senate Joint Resolution J

The Clerk announced that the following bills had been printed and placed upon the files of the members on Monday, October 29:

House Bill Nos. 5376 5377

Messages from the Senate**House Bill No. 4234, entitled**

A bill to amend 1982 PA 325, entitled "An act to authorize county sheriffs to declare a county jail overcrowding state of emergency; to prescribe the powers and duties of certain judges, county sheriffs, and other county officials; and to provide remedies for a county jail overcrowding state of emergency," (MCL 801.51 to 801.64) by adding sections 9a and 9b.

The Senate has passed the bill and ordered that it be given immediate effect.

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

House Bill No. 4725, entitled

A bill to amend 1982 PA 325, entitled "An act to authorize county sheriffs to declare a county jail overcrowding state of emergency; to prescribe the powers and duties of certain judges, county sheriffs, and other county officials; and to provide remedies for a county jail overcrowding state of emergency," by amending sections 1, 2, 3, 4, 5, 8, 9, and 10 (MCL 801.51, 801.52, 801.53, 801.54, 801.55, 801.58, 801.59, and 801.60), sections 8 and 9 as amended by 1988 PA 399, and by adding section 1a.

The Senate has substituted (S-2) the bill.

The Senate has passed the bill as substituted (S-2) and ordered that it be given immediate effect.

The Speaker announced that pursuant to Rule 42, the bill was laid over one day.

Communications from State Officers

The following communication from the Secretary of State was received and read:

Notice of Filing
Administrative Rules

October 26, 2007

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor & Economic Growth, State Office of Administrative Hearings and Rules filed at 4:35 P.M. this date, administrative rule (07-10-07) for the Department of Labor and Economic Growth, Public Service Commission, Entitled "*Consumer Standards and Billing Practices for Electric and Gas Residential Service*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

Sincerely,
Terri Lynn Land
Secretary of State
Robin Houston, Office Supervisor
Office of the Great Seal

The communication was referred to the Clerk.

Rep. Acciavatti moved that the House adjourn.
The motion prevailed, the time being 9:25 p.m.

The Speaker Pro Tempore declared the House adjourned until Tuesday, October 30, at 1:30 p.m.

RICHARD J. BROWN
Clerk of the House of Representatives