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House Chamber, Lansing, Thursday, April 17, 2008.

12:00 Noon.

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

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

Accavitti—present	Dillon—present	Lahti—present	Pearce—present
Acciavatti—present	Donigan—present	LaJoy—present	Polidori—present
Agema—present	Ebli—present	Law, David—present	Proos—present
Amos—present	Elsenheimer—present	Law, Kathleen—present	Robertson—present
Angerer—present	Emmons—present	LeBlanc—present	Rocca—present
Ball—present	Espinoza—excused	Leland—present	Sak—present
Bauer—present	Farrah—present	Lemmons—present	Schuitmaker—present
Bennett—excused	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—e/d/s	Knollenberg—present		

e/d/s = entered during session

Rep. George Cushingberry, Jr., from the 8th District, offered the following invocation:

“Father God, You have said to us, that we should be instruments of Your peace. Your Torah, Koran and Gospel, encourage us to treat people the way we wish to be treated. We pray today for peace, Father. We ask You to bring peace into our lives. Allow our instruments to encourage and shine love, to demonstrate that we can be our brother and sisters keepers. We ask to make us instruments of Your peace, let us have peace in the world, let us have peace throughout this planet, let us have peace amongst the people of the United States, let us have peace amongst the people of Michigan, indeed let us have peace here in the Michigan Legislature. All these things and others we pray, Amen.”

Rep. Tobocman moved that Reps. Bennett and Espinoza be excused from today’s session.
The motion prevailed.

Reports of Select Committees

First Conference Report

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

House Bill No. 5531, entitled

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 11, 11j, 22a, 22b, 22d, 32b, 32c, 51a, 51c, 99c, and 104 (MCL 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1622d, 388.1632b, 388.1632c, 388.1651a, 388.1651c, 388.1699c, and 388.1704), as amended by 2007 PA 137, and by adding sections 31h, 32e, 54c, 99h, 99m, 99n, and 99p.

Recommends:

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

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 11, 11j, 22a, 22b, 22d, 51a, 51c, 56, 62, and 104 (MCL 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1622d, 388.1651a, 388.1651c, 388.1656, 388.1662, and 388.1704), as amended by 2007 PA 137, and by adding sections 32e, 54c, 99n, and 99p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 11. (1) For the fiscal year ending September 30, 2008, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~\$11,493,064,200.00~~ **\$11,386,866,600.00** from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$34,909,600.00 from the general fund. In addition, available federal funds are appropriated for the fiscal year ending September 30, 2008.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 56 shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year,

the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:

(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:

(i) Districts.

(ii) Intermediate districts.

(iii) Entities other than districts or intermediate districts.

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, and 53a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(5) Except for the allocation under section 26a, any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$1,900,000.00~~ **\$3,900,000.00** for 2007-2008 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 11 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$6,012,000,000.00~~ **\$5,951,000,000.00** for 2007-2008 for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) To ensure that a district receives an amount equal to the district's 1994-95 total state and local per pupil revenue for school operating purposes, there is allocated to each district a state portion of the district's 1994-95 foundation allowance in an amount calculated as follows:

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or \$6,500.00, whichever is less, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, divided by the district's membership.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy or qualifying university school, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy for forwarding to the qualifying public school academy, or to the board of the public university operating the qualifying university school, an amount equal to the 1994-95 per pupil payment to the qualifying public school academy or qualifying university school under section 20.

(4) A district, qualifying university school, or qualifying public school academy may use funds allocated under this section in conjunction with any federal funds for which the district, qualifying university school, or qualifying public school academy otherwise would be eligible.

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

(a) "1994-95 foundation allowance" means a district's 1994-95 foundation allowance calculated and certified by the department of treasury or the superintendent under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

(b) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(c) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil.

(d) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than \$6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead and qualified agricultural property could be reduced as provided in section 1211(1) of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year.

(e) "Homestead" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(f) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(g) "Qualified agricultural property" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(h) "Qualifying public school academy" means a public school academy that was in operation in the 1994-95 school year and is in operation in the current state fiscal year.

(i) "Qualifying university school" means a university school that was in operation in the 1994-95 school year and is in operation in the current fiscal year.

(j) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(k) "Taxable value per membership pupil" means each of the following divided by the district's membership:

(i) For the number of mills by which the exemption from the levy of school operating taxes on a homestead and qualified agricultural property may be reduced as provided in section 1211(1) of the revised school code, MCL 380.1211, the taxable value of homestead and qualified agricultural property for the calendar year ending in the current state fiscal year.

(ii) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year.

Sec. 22b. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$3,722,000,000.00~~ **\$3,683,275,000.00** for 2007-2008 for discretionary nonmandated payments to districts under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) Subject to subsection (3) and section 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

(3) In order to receive an allocation under this section, each district shall do all of the following:

(a) Administer in each grade level that it operates in grades 1 to 5 a standardized assessment approved by the department of grade-appropriate basic educational skills. A district may use the Michigan literacy progress profile to satisfy this requirement for grades 1 to 3. Also, if the revised school code is amended to require annual assessments at additional grade levels, in order to receive an allocation under this section each district shall comply with that requirement.

(b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(d) Comply with section 1230g of the revised school code, MCL 380.1230g.

(4) Districts are encouraged to use funds allocated under this section for the purchase and support of payroll, human resources, and other business function software that is compatible with that of the intermediate district in which the district is located and with other districts located within that intermediate district.

(5) From the allocation in subsection (1), the department shall pay up to \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(6) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, and 51c. If a claim is made by an entity receiving funds under this act that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (2). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(7) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (6) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (2).

(8) If a claim is made in court that challenges the legislative determination of the adequacy of funding for this state's constitutional obligations or alleges that there exists an unfunded constitutional requirement, any interested party may seek an expedited review of the claim by the local claims review board. If the claim exceeds \$10,000,000.00, this state may remove the action to the court of appeals, and the court of appeals shall have and shall exercise jurisdiction over the claim.

(9) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of 1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

(10) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

(11) From the allocation in subsection (1), there is allocated for 2007-2008 only an amount not to exceed \$40,000.00 for payment to a district that meets all of the following:

(a) Had a membership of less than 900 pupils for 2006-2007.

(b) Is located in an intermediate district that had a taxable value per membership pupil, as defined in section 22a, of greater than \$290,000.00 for 2006-2007.

(c) The school electors of the district voted in the affirmative on May 8, 2007 to restore a millage reduction required under section 31 of article IX of the state constitution of 1963, but the district was later found to have an incorrect millage reduction fraction as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d.

Sec. 22d. (1) From the amount allocated under section 22b, an amount not to exceed ~~\$750,000.00~~ **\$2,025,000.00** is allocated for 2007-2008 for additional payments to small, geographically isolated districts under this section.

(2) ~~To be eligible for a payment under this section, a district shall meet~~ **FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2007-2008 AN AMOUNT NOT TO EXCEED \$750,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS THAT MEET** all of the following:

- (a) Operates grades K to 12.
- (b) Has fewer than 250 pupils in membership.
- (c) Each school building operated by the district meets at least 1 of the following:
 - (i) Is located in the Upper Peninsula at least 30 miles from any other public school building.
 - (ii) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under ~~this section~~ **SUBSECTION (2)** shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under ~~this section~~ **SUBSECTION (2)** to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under ~~this section~~ **SUBSECTION (2)** and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) **SUBJECT TO SUBSECTION (6), FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED FOR 2007-2008 AN AMOUNT NOT TO EXCEED \$1,275,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS THAT MEET ALL OF THE FOLLOWING:**

(A) THE DISTRICT HAS 5.0 OR FEWER PUPILS PER SQUARE MILE AS DETERMINED BY THE DEPARTMENT.

(B) THE DISTRICT HAS A TOTAL SQUARE MILEAGE GREATER THAN 200.0 OR IS 1 OF 2 DISTRICTS THAT HAVE CONSOLIDATED TRANSPORTATION SERVICES AND HAVE A COMBINED TOTAL SQUARE MILEAGE GREATER THAN 200.0.

(5) THE FUNDS ALLOCATED UNDER SUBSECTION (4) SHALL BE ALLOCATED ON AN EQUAL PER PUPIL BASIS.

(6) A DISTRICT RECEIVING FUNDS ALLOCATED UNDER SUBSECTION (2) IS NOT ELIGIBLE FOR FUNDING ALLOCATED UNDER SUBSECTION (4).

SEC. 32E. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$4,700,000.00 FOR 2007-2008 TO DISTRICTS ELIGIBLE TO RECEIVE FUNDING UNDER SECTION 32D. THE FUNDING UNDER THIS SECTION SHALL BE DISTRIBUTED AMONG DISTRICTS IN DECREASING ORDER OF CONCENTRATION OF ELIGIBLE CHILDREN AS DETERMINED BY SECTION 38. THE AMOUNT DISTRIBUTED TO EACH DISTRICT UNDER THIS SECTION SHALL BE AN AMOUNT EQUAL TO THE NUMBER OF CHILDREN THE DISTRICT SERVED UNDER SECTION 32D IN 2006-2007 OR THE NUMBER OF CHILDREN THE DISTRICT INDICATES IT WILL BE ABLE TO SERVE UNDER SECTION 37(2)(C) IN 2007-2008, WHICHEVER IS LESS, MINUS THE NUMBER OF CHILDREN FOR WHICH THE DISTRICT HAS PREVIOUSLY RECEIVED FUNDING IN 2007-2008 AS DETERMINED BY THE DEPARTMENT, MULTIPLIED BY \$3,400.00. HOWEVER, A DISTRICT IS NOT REQUIRED TO RETURN PREVIOUSLY ALLOCATED FUNDING TO THE SCHOOL AID FUND IN 2007-2008 AS A RESULT OF THIS CALCULATION.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2007-2008 an amount not to exceed ~~\$1,006,483,000.00~~ **\$990,483,000.00** from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at \$350,700,000.00, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766.

All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at ~~\$215,900,000.00~~ **\$216,500,000.00**, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2).

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at \$1,500,000.00, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$3,500,000.00 may be allocated by the department for 2007-2008 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed \$2,200,000.00 for 2007-2008 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special

education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this act. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for 2006-2007 that the amounts allocated for 2006-2007 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for 2006-2007 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for 2006-2007 only, for a district or intermediate district whose reimbursement for 2006-2007 would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) From the allocation in subsection (1), there is allocated for 2007-2008 an amount not to exceed \$15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(11) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(12) From the funds allocated in subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at ~~\$6,600,000.00~~ **\$7,600,000.00**, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall

be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2). This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(13) After payments under subsections (2) and (12) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payment required under subsection (8).

(f) 100% of the payments under section 56.

(14) The allocations under subsection (2), subsection (3), and subsection (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated for 2007-2008 the amount necessary, estimated at ~~\$713,600,000.00~~ **\$696,000,000.00**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

SEC. 54C. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$80,000.00 FOR THE DEPARTMENT TO MAKE NEWSLINE AVAILABLE ELECTRONICALLY ON A STATEWIDE BASIS FOR PERSONS WHO ARE VISUALLY IMPAIRED.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed \$36,881,100.00 for 2007-2008 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2006-2007 shall be made in 2007-2008 at an amount per 2006-2007 membership pupil computed by subtracting from ~~\$161,400.00~~ **\$161,800.00** the 2006-2007 taxable value behind each membership pupil and multiplying the resulting difference by the 2006-2007 millage levied.

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in

the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(i) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(ii) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,000,000.00 for 2007-2008 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2006-2007 shall be made in 2007-2008 at an amount per 2006-2007 membership pupil computed by subtracting from ~~\$171,200.00~~ **\$171,300.00** the 2006-2007 taxable value behind each membership pupil and multiplying the resulting difference by the 2006-2007 millage levied.

SEC. 99N. (1) IT IS THE INTENT OF THE LEGISLATURE TO FUND FOR 2008-2009 COMPETITIVE GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS THAT ENTER INTO COOPERATIVE ARRANGEMENTS WITH A COMMUNITY COLLEGE TO ESTABLISH PROGRAMS TO ALLOW PUPILS TO EARN COMMUNITY COLLEGE CREDIT WHILE ENROLLED IN MIDDLE SCHOOL OR HIGH SCHOOL.

(2) IT IS THE INTENT OF THE LEGISLATURE THAT A DISTRICT THAT FORMERLY OPERATED A COMMUNITY COLLEGE PROGRAM AND THAT CEASED TO OPERATE THAT PROGRAM AFTER 1995 SHALL BE MERGED WITH A COMMUNITY COLLEGE DISTRICT LOCATED IN A CITY WITH A POPULATION OF MORE THAN 750,000.

SEC. 99P. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 FOR 2007-2008 FOR COMPETITIVE GRANTS TO DISTRICTS FOR PROGRAMS THAT PROVIDE PUPILS WITH ACCESS TO CULTURAL, ART, OR MUSIC RESOURCES AND EXPERIENCES THAT ARE AVAILABLE IN THE COMMUNITY AND THAT MAY PROMOTE READING, LITERACY, AND COMMUNICATIONS SKILLS AMONG PUPILS.

(2) A DISTRICT APPLYING FOR A GRANT SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL DEMONSTRATE IN ITS APPLICATION THAT AT LEAST 50% OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK, AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT AND AS REPORTED TO THE DEPARTMENT BY OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(3) GRANT AWARDS SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT. HOWEVER, THE DEPARTMENT MAY SET MAXIMUM GRANT AMOUNTS IN A MANNER THAT MAXIMIZES THE NUMBER OF PUPILS THAT WILL BE ABLE TO PARTICIPATE.

(4) NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

Sec. 104. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2007-2008 an amount not to exceed ~~\$25,400,000.00~~ **\$29,322,400.00** for payments on behalf of districts for costs associated with complying with sections 104a and 104b, sections 1279, 1279g, and 1280b of the revised school code, MCL 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. In addition, from the federal funds appropriated in section 11, there is allocated for 2007-2008 an amount estimated at ~~\$8,800,000.00~~ **\$5,477,600.00**, funded from DED-OESE, title VI, state assessments funds **AND DED-OSERS, SECTION 504 OF PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 94-142, PLUS ANY CARRYOVER FEDERAL FUNDS FROM PREVIOUS YEAR APPROPRIATIONS**, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at \$11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,346,293,300.00.

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

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 11, 11j, 22a, 22b, 22d, 51a, 51c, 56, 62, and 104 (MCL 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1622d, 388.1651a, 388.1651c, 388.1656, 388.1662, and 388.1704), as amended by 2007 PA 137, and by adding sections 32e, 54c, 99n, and 99p.

George Cushingberry, Jr.

Matt Gillard

Daniel Acciavatti

Conferees for the House

Ron Jelinek

Cameron Brown

Michael Switalski

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. 287

Yeas—100

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

Nays—2

Garfield

Sheen

In The Chair: Sak

Rep. Meekhof moved that Reps. Schuitmaker and Stahl be excused temporarily from today's session.
The motion prevailed.

Rep. DeRoche entered the House Chambers.

Rep. Tobocman moved to reconsider the vote by which the House adopted the conference report.
The motion prevailed, a majority of the members serving voting therefor.

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. 288**Yeas—106**

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

Nays—0

In The Chair: Sak

Messages from the Senate

The Speaker laid before the House

Senate Bill No. 1187, entitled

A bill to amend 1995 PA 24, entitled “Michigan economic growth authority act,” by amending sections 3 and 5 (MCL 207.803 and 207.805), section 3 as amended by 2007 PA 62 and section 5 as amended by 2003 PA 248.

(The bill was received from the Senate on April 15, with substitute (S-5) to the House substitute (H-1) and title amendment by the Senate, consideration of which, under the rules, was postponed until April 16, see House Journal No. 33, p. 734.)

The question being on concurring in the substitute (S-5) to the House substitute (H-1) made to the bill by the Senate, The substitute (S-5) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 289

Yeas—108

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

Nays—0

In The Chair: Sak

The House agreed to the title as amended.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to promote economic growth and job creation within this state; to create and regulate the Michigan economic growth authority; to prescribe the powers and duties of the authority and of state and local officials; to assess and collect a fee; to approve certain plans and the use of certain funds; and to provide qualifications for and determine eligibility for tax credits and other incentives for authorized businesses and for qualified taxpayers.”

The House agreed to the full title.

The Speaker laid before the House

House Bill No. 5463, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 410 (MCL 208.1410).

(The bill was received from the Senate on April 16, with substitute (S-4), full title inserted and immediate effect given by the Senate, consideration of which, under the rules, was postponed until today, see House Journal No. 34, p. 768.)

The question being on concurring in the substitute (S-4) made to the bill by the Senate,

Rep. Bieda moved to amend the Senate substitute (S-4) as follows:

1. Amend page 1, line 5, after "years" by inserting "**AND SUBJECT TO SUBSECTION (2)**".
2. Amend page 1, line 6, after "act" by striking out "not to exceed \$1,700,000.00".
3. Amend page 1, line 8, after "year" by inserting "**AND SUBJECT TO SUBSECTION (2)**".
4. Amend page 1, line 9, after "act" by striking out "not to exceed \$1,180,000.00".
5. Amend page 2, line 2, after "year" by inserting "**AND SUBJECT TO SUBSECTION (2)**".
6. Amend page 2, line 3, after "act" by striking out "not to exceed \$650,000.00".
7. Amend page 2, following line 4, by inserting:

"(2) THE TOTAL OF ALL CREDITS ALLOWED UNDER THIS SECTION SHALL NOT EXCEED THE FOLLOWING:

(A) FOR THE 2008 THROUGH 2010 TAX YEARS, \$1,700,000.00.

(B) FOR THE 2011 TAX YEAR, \$1,180,000.00.

(C) FOR THE 2012 TAX YEAR, \$650,000.00." and renumbering the remaining subsection.

The question being on the adoption of the amendments offered by Rep. Bieda,

Rep. Tobocman moved that consideration of the bill be postponed temporarily.

The motion prevailed.

By unanimous consent the House returned to the order of

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills and joint resolutions had been printed and placed upon the files of the members on Thursday, April 17:

House Bill Nos. 5990 5991 5992 5993 5994

House Joint Resolutions XX YY

The Clerk announced that the following Senate bills had been received on Thursday, April 17:

Senate Bill Nos. 1126 1128 1129 1130 1132

Reports of Standing Committees

The Committee on Energy and Technology, by Rep. Accavitti, Chair, reported

House Bill No. 5524, entitled

A bill to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," by amending sections 10, 10a, 10b, 10c, 10d, 10e, 10g, 10p, 10r, 10x, and 10y (MCL 460.10, 460.10a, 460.10b, 460.10c, 460.10d, 460.10e, 460.10g, 460.10p, 460.10r, 460.10x, and 460.10y), sections 10, 10b, 10c, 10e, 10p, 10r, 10x, and 10y as added by 2000 PA 141, section 10a as amended by 2004 PA 88, section 10d as amended by 2002 PA 609, and section 10g as amended by 2001 PA 48; and to repeal acts and parts of acts.

With the recommendation that the substitute (H-3) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Accavitti, Mayes, Angerer, Brown, Ebli, Hammon, Hopgood, Lemmons, Lindberg, Melton, Miller, Nofs, Palsrok, Garfield, Horn and Opsommer

Nays: None

The Committee on Energy and Technology, by Rep. Accavitti, Chair, reported

House Bill No. 5972, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432. With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Accavitti, Mayes, Angerer, Brown, Clemente, Ebli, Hammon, Hopgood, Lemmons, Lindberg, Melton, Miller, Nofs, Palsrok, Garfield, Huizenga, Moolenaar, Horn and Opsommer

Nays: None

The Committee on Energy and Technology, by Rep. Accavitti, Chair, reported

House Bill No. 5973, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432a. With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Accavitti, Mayes, Angerer, Brown, Clemente, Ebli, Hammon, Hopgood, Lemmons, Lindberg, Melton, Miller, Nofs, Palsrok, Garfield, Huizenga, Moolenaar, Horn and Opsommer

Nays: None

The Committee on Energy and Technology, by Rep. Accavitti, Chair, reported

House Bill No. 5974, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432b. With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Accavitti, Mayes, Angerer, Brown, Clemente, Ebli, Hammon, Hopgood, Lemmons, Lindberg, Melton, Miller, Nofs, Palsrok, Garfield, Huizenga, Moolenaar, Horn and Opsommer

Nays: None

The Committee on Energy and Technology, by Rep. Accavitti, Chair, reported

House Bill No. 5975, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432c. With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Accavitti, Mayes, Angerer, Brown, Clemente, Ebli, Hammon, Hopgood, Lemmons, Lindberg, Melton, Miller, Nofs, Palsrok, Garfield, Huizenga, Moolenaar and Horn

Nays: None

The Committee on Energy and Technology, by Rep. Accavitti, Chair, reported

House Bill No. 5976, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432d. With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Accavitti, Mayes, Angerer, Brown, Clemente, Ebli, Hammon, Hopgood, Lemmons, Lindberg, Melton, Miller, Nofs, Palsrok, Garfield, Huizenga, Moolenaar, Horn and Opsommer

Nays: None

The Committee on Energy and Technology, by Rep. Accavitti, Chair, reported

House Bill No. 5977, entitled

A bill to amend 1995 PA 24, entitled "Michigan economic growth authority act," by amending section 6 (MCL 207.806), as amended by 2007 PA 150.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Accavitti, Mayes, Angerer, Brown, Clemente, Ebli, Hammon, Hopgood, Lemmons, Lindberg, Melton, Miller, Nofs, Palsrok, Garfield, Huizenga, Moolenaar, Horn and Opsommer

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Accavitti, Chair, of the Committee on Energy and Technology, was received and read:

Meeting held on: Wednesday, April 16, 2008

Present: Reps. Accavitti, Mayes, Angerer, Brown, Clemente, Ebli, Hammon, Hopgood, Lemmons, Lindberg, Melton, Miller, Nofs, Palsrok, Garfield, Huizenga, Moolenaar, Horn and Opsommer

The Committee on Transportation, by Rep. Hopgood, Chair, reported

House Bill No. 5919, entitled

A bill to amend 1972 PA 106, entitled "Highway advertising act of 1972," by amending section 7a (MCL 252.307a), as added by 2006 PA 447.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Hopgood, Griffin, Accavitti, Bieda, Leland, Miller, LaJoy, Casperson, Nitz, Pavlov, Pearce, Stahl and Knollenberg

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Hopgood, Chair, of the Committee on Transportation, was received and read:
Meeting held on: Thursday, April 17, 2008

Present: Reps. Hopgood, Griffin, Accavitti, Bieda, Donigan, Ebli, Leland, Mayes, Miller, Young, LaJoy, Casperson, Nitz, Pavlov, Pearce, Stahl and Knollenberg

The Committee on New Economy and Quality of Life, by Rep. Clemente, Chair, reported
House Bill No. 4657, entitled

A bill to amend 2004 PA 479, entitled "Michigan housing and community development fund act," by amending sections 2, 3, 5, 6, and 8 (MCL 125.2822, 125.2823, 125.2825, 125.2826, and 125.2828).

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Clemente, Leland, Clack, Griffin, Meadows, Melton, Garfield and Pastor

Nays: None

The Committee on New Economy and Quality of Life, by Rep. Clemente, Chair, reported
House Bill No. 4658, entitled

A bill to amend 1966 PA 346, entitled "State housing development authority act of 1966," by amending sections 58, 58a, 58b, and 58c (MCL 125.1458, 125.1458a, 125.1458b, and 125.1458c), as added by 2004 PA 480.

With the recommendation that the substitute (H-4) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Clemente, Leland, Clack, Griffin, Meadows, Melton, Garfield and Pastor

Nays: None

The Committee on New Economy and Quality of Life, by Rep. Clemente, Chair, reported
House Bill No. 5952, entitled

A bill to amend 1970 PA 169, entitled "Local historic districts act," by amending section 3 (MCL 399.203), as amended by 2001 PA 67.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Clemente, Leland, Clack, Griffin, Meadows, Meisner, Melton, Huizenga, Hildenbrand, Garfield and Pastor

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Clemente, Chair, of the Committee on New Economy and Quality of Life, was received and read:

Meeting held on: Thursday, April 17, 2008

Present: Reps. Clemente, Leland, Clack, Griffin, Meadows, Meisner, Melton, Huizenga, Hildenbrand, Garfield and Pastor

Messages from the Senate

House Bill No. 5600, entitled

A bill to amend 1996 PA 376, entitled "An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending sections 4 and 8a (MCL 125.2684 and 125.2688a), section 4 as amended by 2006 PA 440 and section 8a as amended by 2006 PA 476.

The Senate has concurred in the House amendments to the Senate substitute (S-3) and agreed to the title of the bill as amended.

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

House Bill No. 5865, entitled

A bill to amend 1984 PA 270, entitled "An act relating to the economic development of this state; to create the Michigan strategic fund and to prescribe its powers and duties; to transfer and provide for the acquisition and succession to the rights, properties, obligations, and duties of the job development authority and the Michigan economic development authority to the Michigan strategic fund; to provide for the expenditure of proceeds in certain funds to which the Michigan strategic fund succeeds in ownership; to provide for the issuance of, and terms and conditions for, certain notes and bonds of the Michigan strategic fund; to create certain boards and funds; to create certain permanent funds; to exempt the property, income, and operation of the fund and its bonds and notes, and the interest thereon, from certain taxes; to provide for the creation of certain centers within and for the purposes of the Michigan strategic fund; to provide for the creation and funding of certain accounts for certain purposes; to impose certain powers and duties upon certain officials, departments, and authorities of this state; to make certain loans, grants, and investments; to provide penalties; to make an appropriation; and to repeal acts and parts of acts," (MCL 125.2001 to 125.2094) by adding chapter 8B.

The Senate has concurred in the House amendment to the Senate substitute (S-1).

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

Senate Bill No. 1126, entitled

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," (MCL 125.2001 to 125.2094) by adding section 79. The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Agriculture.

Senate Bill No. 1128, entitled

A bill to provide for the publication of certain information regarding the establishing of alternative fuels facilities in this state; to provide for certain powers and duties for certain state agencies; and to make available to the public certain information.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Agriculture.

Senate Bill No. 1129, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 811e (MCL 257.811e), as amended by 2006 PA 562, and by adding section 811r.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Agriculture.

Senate Bill No. 1130, entitled

A bill to amend 1984 PA 44, entitled "Motor fuels quality act," (MCL 290.641 to 290.650d) by adding section 5a.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Agriculture.

Senate Bill No. 1132, entitled

A bill to amend 2006 PA 272, entitled "Renewable fuels commission act," by amending sections 3 and 6 (MCL 290.583 and 290.586).

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Agriculture.

Communications from State Officers

The following communications from the Department of Treasury were received and read:

April 15, 2008

Please find attached one copy of the Principal Residence Exemption Compliance Program Quarterly Report for the period January 1, 2008 - March 31, 2008. The report is required by Public Act 127 of 2007, the General Government Appropriations Act. Section 947 of the Act provides, in part, as follows:

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

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

April 15, 2008

Please find attached one copy of the Personal Property Audit Quarterly Report for the period January 1, 2008 - March 31, 2008. The report is required by Public Act 127 of 2007, the General Government Appropriations Act. Section 947 of the Act provides, in part, as follows:

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

(2) The department of treasury shall submit quarterly progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

Frederick Headen, Director
Bureau of Local Government Services

The communications were referred to the Clerk.

Announcements by the Clerk

April 16, 2008

Received from the Auditor General a copy of the following audit report and/or report summary:
Performance audit of Human Service Contracting, Department of Human Services, April 2008.

Richard J. Brown
Clerk of the House

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. 5344, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

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, supplement, and adjust appropriations for various state departments and agencies and the judicial branch for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies and the judicial branch to supplement appropriations for the fiscal year ending September 30, 2008, from the following funds:

APPROPRIATION SUMMARY:

Full-time equated classified positions	21.0		
GROSS APPROPRIATION		\$	143,936,500
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		\$	143,936,500
Total federal revenues.....			72,642,000
Total local revenues.....			2,310,300
Total private revenues.....			0
Total other state restricted revenues			26,726,400
State general fund/general purpose		\$	42,257,800

Sec. 102. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION		\$	137,504,500
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		\$	137,504,500
Total federal revenues.....			59,009,300
Total local revenues.....			1,198,400
Total private revenues.....			0
Total other state restricted revenues			41,206,400
State general fund/general purpose		\$	36,090,400

(2) MEDICAL SERVICES

Hospital services and therapy.....		\$	60,821,000
Long-term care services			360,000
Health plan services			40,383,900
Subtotal basic medical services program			101,564,900
School-based services.....			35,939,600
Subtotal special medical services payments.....			35,939,600
GROSS APPROPRIATION		\$	137,504,500

Appropriated from:

Federal revenues:

Total federal revenues.....			59,009,300
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Special revenue funds:

Total local revenues.....			1,198,400
Total other state restricted revenues			41,206,400
State general fund/general purpose		\$	36,090,400

Sec. 103. DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY

Full-time equated classified positions	6.0		
GROSS APPROPRIATION		\$	3,322,400
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		\$	3,322,400
Total federal revenues.....			3,322,400
Total local revenues.....			0
Total private revenues.....			0
Total other state restricted revenues			0
State general fund/general purpose		\$	0

For Fiscal Year
Ending Sept. 30,
2008

(2) EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY

Full-time equated classified positions	6.0	
Educational assessment operations—6.0 FTE positions		\$ 3,322,400
GROSS APPROPRIATION		\$ 3,322,400
Appropriated from:		
Federal revenues:		
Federal revenues		3,322,400
State general fund/general purpose		\$ 0

Sec. 104. DEPARTMENT OF ENVIRONMENTAL QUALITY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION		\$ 250,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 250,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(10,750,000)
State general fund/general purpose		\$ 11,000,000

(2) GRANTS

Real-time water quality monitoring		\$ 250,000
GROSS APPROPRIATION		\$ 250,000
Appropriated from:		
Special revenue funds:		
Settlement funds		250,000
State general fund/general purpose		\$ 0

(3) AIR QUALITY

Air quality programs		\$ 0
GROSS APPROPRIATION		\$ 0
Appropriated from:		
Special revenue funds:		
Air emissions fees		(3,527,400)
State general fund/general purpose		\$ 3,527,400

(4) ENVIRONMENTAL SCIENCE AND SERVICES DIVISION

Pollution prevention and technical assistance		\$ 0
GROSS APPROPRIATION		\$ 0
Appropriated from:		
Special revenue funds:		
Air emissions fees		(377,600)
Waste reduction fee revenue		(175,200)
State general fund/general purpose		\$ 552,800

(5) OFFICE OF GEOLOGICAL SURVEY

Mineral wells management		\$ 0
GROSS APPROPRIATION		\$ 0
Appropriated from:		
Special revenue funds:		
Mineral well regulatory fee revenue		(75,000)
State general fund/general purpose		\$ 75,000

(6) LAND AND WATER MANAGEMENT

Field permitting and project assistance		\$ 0
Great Lakes shorelands		0
GROSS APPROPRIATION		\$ 0
Appropriated from:		
Special revenue funds:		
Land and water permit fees		(2,965,000)
State general fund/general purpose		\$ 2,965,000

(7) WASTE AND HAZARDOUS MATERIALS

Hazardous waste management program		\$ 0
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	For Fiscal Year Ending Sept. 30, 2008
Solid waste management program.....	0
GROSS APPROPRIATION.....	\$ 0
Appropriated from:	
Special revenue funds:	
Environmental pollution prevention fund.....	(1,066,900)
Solid waste program fees.....	(510,500)
State general fund/general purpose.....	\$ 1,577,400
(8) WATER	
Drinking water and environmental health.....	\$ 0
Groundwater discharge.....	0
GROSS APPROPRIATION.....	\$ 0
Appropriated from:	
Special revenue funds:	
Groundwater discharge permit fees.....	(1,709,900)
On-site wastewater treatment program fund.....	(592,500)
State general fund/general purpose.....	\$ 2,302,400
Sec. 105. HIGHER EDUCATION	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION.....	\$ (9,700,000)
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION.....	\$ (9,700,000)
Total federal revenues.....	0
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	(9,700,000)
State general fund/general purpose.....	\$ 0
(2) GRANTS AND FINANCIAL AID	
Michigan merit award program.....	\$ (7,700,000)
Michigan promise grant program.....	(2,000,000)
GROSS APPROPRIATION.....	\$ (9,700,000)
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	(9,700,000)
State general fund/general purpose.....	\$ 0
Sec. 106. DEPARTMENT OF HUMAN SERVICES	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION.....	\$ 17,482,800
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION.....	\$ 17,482,800
Total federal revenues.....	10,310,300
Total local revenues.....	622,400
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose.....	\$ 6,550,100
(2) COMMUNITY ACTION AND ECONOMIC OPPORTUNITY	
Community services block grant.....	\$ 300,000
GROSS APPROPRIATION.....	\$ 300,000
Appropriated from:	
State general fund/general purpose.....	\$ 300,000
(3) ADULT AND FAMILY SERVICES	
Nutrition education.....	\$ 9,688,400
GROSS APPROPRIATION.....	\$ 9,688,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	9,688,400
State general fund/general purpose.....	\$ 0

For Fiscal Year
Ending Sept. 30,
2008

(4) CHILDREN'S SERVICES

Foster care payments.....	\$	2,281,200
Adoption support services.....		213,100
GROSS APPROPRIATION.....	\$	<u>2,494,300</u>
Appropriated from:		
Federal revenues:		
Total federal revenues.....		621,900
Special revenue funds:		
Local funds - county chargeback.....		622,400
State general fund/general purpose.....	\$	1,250,000

(5) JUVENILE JUSTICE SERVICES

Child care fund.....	\$	838,600
GROSS APPROPRIATION.....	\$	<u>838,600</u>
Appropriated from:		
State general fund/general purpose.....	\$	838,600

(6) LOCAL OFFICE STAFF AND OPERATIONS

Field staff, salaries and wages.....	\$	161,500
GROSS APPROPRIATION.....	\$	<u>161,500</u>
Appropriated from:		
State general fund/general purpose.....	\$	161,500

(7) PUBLIC ASSISTANCE

Day care services.....	\$	4,000,000
Homeless shelter contracts.....		(11,646,700)
Homeless programs.....		11,646,700
GROSS APPROPRIATION.....	\$	<u>4,000,000</u>
Appropriated from:		
State general fund/general purpose.....	\$	4,000,000

Sec. 107. JUDICIARY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	489,500
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION.....	\$	489,500
Total federal revenues.....		0
Total local revenues.....		489,500
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose.....	\$	0

(2) SUPREME COURT

Direct trial court automation support.....	\$	489,500
GROSS APPROPRIATION.....	\$	<u>489,500</u>
Appropriated from:		
Special revenue funds:		
Local - user fees.....		489,500
State general fund/general purpose.....	\$	0

Sec. 108. DEPARTMENT OF LABOR AND ECONOMIC GROWTH

(1) APPROPRIATION SUMMARY:

Full-time equated classified positions.....	10.0	
GROSS APPROPRIATION.....	\$	420,000
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION.....	\$	420,000
Total federal revenues.....		0
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues.....		420,000
State general fund/general purpose.....	\$	0

(2) OFFICE OF FINANCIAL AND INSURANCE SERVICES

Full-time equated classified positions.....	10.0	
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For Fiscal Year
Ending Sept. 30,
2008

Financial evaluation—10.0 FTE positions \$ 420,000
GROSS APPROPRIATION \$ 420,000

Appropriated from:

Special revenue funds:

Consumer finance fees 420,000
State general fund/general purpose \$ 0

Sec. 109. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION \$ 117,300
Total interdepartmental grants and intradepartmental transfers 0
ADJUSTED GROSS APPROPRIATION \$ 117,300
Total federal revenues 0
Total local revenues 0
Total private revenues 0
Total other state restricted revenues 0
State general fund/general purpose \$ 117,300

(2) VETERANS SERVICE ORGANIZATIONS

American legion \$ 26,600
Disabled American veterans 22,000
Marine corps league 10,100
American veterans of World War II and Korea 13,900
Veterans of foreign wars 26,600
Michigan paralyzed veterans of America 5,000
Purple heart 4,700
Polish legion of American veterans 1,200
Jewish veterans of America 1,200
State of Michigan council - Vietnam veterans of America 4,800
Catholic war veterans 1,200
GROSS APPROPRIATION \$ 117,300

Appropriated from:

State general fund/general purpose \$ 117,300

Sec. 110. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

Full-time equated classified positions 5.0

GROSS APPROPRIATION \$ 1,050,000
Total interdepartmental grants and intradepartmental transfers 0
ADJUSTED GROSS APPROPRIATION \$ 1,050,000
Total federal revenues 0
Total local revenues 0
Total private revenues 0
Total other state restricted revenues 50,000
State general fund/general purpose \$ 1,000,000

(2) FOREST, MINERAL, AND FIRE MANAGEMENT

Full-time equated classified positions 5.0

Wildfire protection—5.0 FTE positions \$ 500,000
Forest recreation and trails 500,000
GROSS APPROPRIATION \$ 1,000,000

Appropriated from:

State general fund/general purpose \$ 1,000,000

(3) GRANTS

St. Jean public boat launch \$ 50,000
GROSS APPROPRIATION \$ 50,000

Appropriated from:

Special revenue funds:

Michigan state waterways funds 50,000
State general fund/general purpose \$ 0

For Fiscal Year
Ending Sept. 30,
2008

Sec. 111. DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	3,000,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	3,000,000
Total federal revenues.....		0
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	3,000,000

(2) FORENSIC SCIENCES

Laboratory operations.....	\$	2,000,000
GROSS APPROPRIATION	\$	2,000,000

Appropriated from:

State general fund/general purpose	\$	2,000,000
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(3) POST UNIFORM SERVICES

At-post troopers.....	\$	1,000,000
GROSS APPROPRIATION	\$	1,000,000

Appropriated from:

State general fund/general purpose	\$	1,000,000
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Sec. 112. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	(10,000,000)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	(10,000,000)
Total federal revenues.....		0
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues		5,500,000
State general fund/general purpose	\$	(15,500,000)

(2) DEBT SERVICES

Quality of life bond.....	\$	(8,000,000)
Clean Michigan initiative		(18,000,000)
Great Lakes water quality bond		(4,000,000)
GROSS APPROPRIATION	\$	(30,000,000)

Appropriated from:

State general fund/general purpose	\$	(30,000,000)
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(3) CASINO GAMING

Casino gaming control administration.....	\$	5,500,000
GROSS APPROPRIATION	\$	5,500,000

Appropriated from:

Special revenue funds:

State services fee fund.....		5,500,000
State general fund/general purpose	\$	0

(4) GRANTS

Presidential primary.....	\$	10,000,000
GROSS APPROPRIATION	\$	10,000,000

Appropriated from:

State general fund/general purpose	\$	10,000,000
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(5) MICHIGAN STRATEGIC FUND

Business incubator - Macomb County	\$	500,000
Business incubator - Washtenaw County		500,000
Michigan State University bio-energy research center.....		3,500,000
GROSS APPROPRIATION	\$	4,500,000

Appropriated from:

State general fund/general purpose	\$	4,500,000
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PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2008 is \$68,984,200.00 and state appropriations paid to local units of government are \$11,000,000.00.

Sec. 202. The appropriations made and expenditures authorized under this act and the departments, commissions, boards, offices, and programs for which appropriations are made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

DEPARTMENT OF COMMUNITY HEALTH

Sec. 404. (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 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.

(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. 406. (1) Subject to subsection (2), from the funds appropriated in part 1 for long-term care services, the department of community health shall contract with a stand-alone psychiatric facility that provides at least 20% of its total care to Medicaid recipients to provide access to Medicaid recipients who require specialized Alzheimer's disease or dementia care.

(2) The department of community health shall ensure that funds under this section are only used to provide services to individuals served in fiscal year 2006-2007.

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

DEPARTMENT OF EDUCATION

Sec. 411. From the unexpended balances of appropriations for educational assessment and accountability operations for the fiscal year ending September 30, 2008, up to \$3,000,000.00 may be carried forward as a work project and expended for a testing item bank system. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$3,000,000.00. The estimated completion date of the work is September 30, 2009.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Sec. 421. The appropriation in part 1 for real-time water quality monitoring is a grant to Macomb County and Huron-Erie corridor to support a real-time water quality monitoring program in the St. Clair watershed. Not later than September 30, 2008, grant recipients shall report to the department of environmental quality on the program's implementation and status. The department of environmental quality shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies. Funding is contingent upon development of a department of environmental quality approved plan for long-term funding of operation and maintenance of the real-time monitoring system for the Huron-Erie corridor.

DEPARTMENT OF HUMAN SERVICES

Sec. 451. From the funds appropriated in part 1 for day care services, up to \$3,323,900.00 shall be available for day care provider rate increases and up to \$676,100.00 shall be available for administration of the program.

Sec. 452. (1) Subject to subsection (3), beginning October 1, 2007, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

(2) Contracts with licensed child placing agencies shall include specific performance and incentive measures with a focus on achieving permanency placement for children in foster care.

(3) Beginning October 1, 2007, the department shall not enter into or maintain a contract with a for-profit child placing agency, or with a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, to provide direct foster care services unless the agency was licensed on or before August 1, 2007 and, if the agency is a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, the contract with the for-profit group or organization existed prior to August 1, 2007.

Sec. 453. (1) From the money appropriated in part 1 of 2007 PA 131 for foster care payments, \$2,500,000.00 is allocated to support new contracts with private nonprofit child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure. The private nonprofit agency

facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

(2) From the money appropriated in part 1 of 2007 PA 131 for foster care payments, \$375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements needed by foster families to accommodate foster children.

Sec. 454. The department of human services shall review and may adjust daily per diem rates to providers of high-secure juvenile services in recognition of added complex services.

Sec. 455. A private nonprofit provider of juvenile services may receive funding for services of different security levels if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level. However, to be eligible for funding, the private nonprofit service provider shall not use a for-profit management group or contract with a for-profit organization for its management, except pursuant to an arrangement or written management contract existing prior to August 1, 2007.

Sec. 456. (1) Beginning October 1, 2007, from the money appropriated in part 1 of 2007 PA 131 for foster care payments, Wayne County foster care payments, and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

(2) Beginning October 1, 2007, from the money appropriated in part 1 of 2007 PA 131 for foster care payments, Wayne County foster care payments, and child care fund, the department shall pay a provider of residential services for juvenile justice and abused or neglected youth at daily rates that are 4.0% above the levels the provider received during the fiscal year 2006-2007. A provider shall not receive a daily rate below \$130.00 per day.

Sec. 458. From the money appropriated in part 1 of 2007 PA 131 for adoption support services, \$1,049,400.00 is allocated to support new adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive \$16,000.00 for each finalized placement under the new program.

Sec. 460. (1) Beginning October 1, 2007, from the funds appropriated in part 1 of 2007 PA 131, the department shall reimburse a private child placing agency for an adoption placement or finalization at the following unit rate, as applicable, depending on the category into which the placement falls under subsection (2):

- (a) For basic and standard, \$2,594.00 for a placement, \$1,733.00 for a finalization.
- (b) For enhanced, \$4,068.00 for a placement, \$2,712.00 for a finalization.
- (c) For premium, \$5,404.00 for a placement, \$3,603.00 for a finalization.
- (d) For residential, \$6,240.00 for a placement, \$4,160.00 for a finalization.
- (e) For I-MARE, \$4,368.00 for a placement, \$2,912.00 for a finalization.
- (f) For MARE, \$5,819.00 for a placement, \$3,879.00 for a finalization.
- (g) For preplacement, \$1,352.00 for basic or standard, \$2,704.00 for enhanced.

(2) The following categories shall be used to determine which unit rate is applicable under subsection (1):

(a) The residential category shall be used for a placement that involves a child who was being cared for in a residential child caring institution.

(b) The MARE category shall be used for a placement other than an interagency placement in which the private agency used the Michigan adoption resource exchange photo-listing system.

(c) The I-MARE category shall be used for an interagency placement in which the private agency used the Michigan adoption resource exchange photo-listing system.

(d) A placement to which subdivisions (a) to (c) do not apply shall be reimbursed based on the length of time between the termination of parental rights or case referral and the placement as follows:

(i) The premium category shall be used if the placement is achieved less than 6 months after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(ii) The enhanced category shall be used if the placement is achieved 6 months or more but less than 9 months after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(iii) The basic and standard category shall be used if the placement is achieved 9 months or more after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(3) The department shall not establish a payment category or unit rate other than those in this section and shall not expend funds appropriated in part 1 for a payment that does not fall within a payment category or unit rate structure established in this section.

Sec. 461. The department will implement a \$25.00 annual fee pursuant to title IV-D, section 454(6)(B)(ii) of the social security act, 42 USC 651. The fee shall be deducted from support collected on behalf of the individual. Fee revenues shall be used to administer and operate the child support program under part D of title IV of the social security act.

Sec. 463. As a condition of receipt of federal TANF funds, homeless shelters and human service agencies shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 464. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced below the level in effect on October 1, 2006. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Sec. 501. (1) The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2004.

(2) Revenue collected by the Michigan commission for the blind and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 502. (1) The amount of \$2,163,400.00 in the housing and community development fund is hereby appropriated and may be expended by the state housing development authority as provided in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(2) The state housing development authority shall report by May 1 to the senate and house standing committees on appropriations subcommittees on economic development, the senate and house fiscal agencies, and the state budget office on the status of the projects described in subsection (1), including the statewide allocation plan, the number of applicants, amounts requested, description of projects, amounts rewarded, 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.

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 521. The department of management and budget shall contract with an experienced performance review company to conduct performance reviews of state departments. The contract shall be done on a contingency basis and the reviews shall be concluded within 180 days of the issuance of the contract. Performance enhancement recommendations shall be submitted to the director of the department of management and budget and to the members of the senate and house appropriations committees.

DEPARTMENT OF NATURAL RESOURCES

Sec. 560. The appropriation in part 1 for the St. Jean public boat launch shall be provided to the city of Detroit to make necessary improvements to the Vaughn-Reid marine launching park, including the installation of a floating dock, dredging to remove material impeding boater access, and on-site fencing.

DEPARTMENT OF TREASURY

Sec. 601. It is the intent of the legislature that the department of treasury implement a cigarette stamping program utilizing new digital stamping technology.

MICHIGAN STRATEGIC FUND

Sec. 610. (1) The appropriation in part 1 of 2007 PA 127 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first century. The purpose of this program is to develop a specific skill, identified for a particular business that assists that company to compete in the global economy and to create or retain high-paying jobs for Michigan residents.

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

(3) No funds appropriated in part 1 of 2007 PA 127 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers, unless a strike exceeds 3 years and good faith negotiations are ongoing.

(4) Of the total funds appropriated in part 1 of 2007 PA 127 for the economic development job training program grants, \$4,500,000.00 of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5). Remaining funds may be awarded to any of the entities listed in subsection (5) or businesses which create at least 100 new jobs at a single location in a period not to exceed 2 years from the date of the grant award.

(5) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development

board, the headquarters of a federal and state-sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection or businesses which meet the criteria set in subsection (4).

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

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

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

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

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

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

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

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

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

(b) Creation and/or retention of high wage and high skilled level jobs within a predetermined time period. For grants to businesses permitted under subsection (4), if the business does not create or retain the number of jobs specified within the predetermined time period, the business shall reimburse the state for the amount of the grant equal to the percentage difference between the number of jobs the business committed to create or retain and the number actually created or retained. The number of jobs created and retained will be verified by the business via audit after the training is completed.

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

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

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

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

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

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

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

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

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

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

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

(15) As a condition of receiving funds under part 1 of 2007 PA 127, the fund shall not expend any of the economic development job training program funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

(16) The Michigan strategic fund shall allocate \$500,000.00 for aeronautics certification grants as described in this subsection. The grants shall be funded from the appropriation in part 1 for economic development job training grants or work project funds available for the defense contract coordination center, or both. The Michigan strategic fund shall

report to the senate and house subcommittees on general government, the fiscal agencies, and the state budget office by January 15, 2008 on the sources of funding for this program. \$500,000.00 shall be allocated for the following purposes:

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

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

Sec. 613. From the funds appropriated in part 1 of 2007 PA 127 to the 21st century jobs fund program, \$1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the small business technology transfer or small business innovation research grant or loan matching programs. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.

REPEALER

Sec. 701. The following sections are repealed:

(a) Section 1717 of 2007 PA 123.

(b) Sections 1002 and 1024 of 2007 PA 127.

(c) Sections 566, 573, 574, 609, 643, 723, and 726 of 2007 PA 131.

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

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the judicial branch for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

George Cushingberry, Jr.
Matt Gillard
Daniel Acciavatti
Conferees for the House

Michael Bishop
Ron Jelinek
Michael Switalski
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. 290

Yeas—79

Accavitti	DeRoche	Law, David	Proos
Acciavatti	Dillon	Law, Kathleen	Rocca
Angerer	Donigan	LeBlanc	Sak
Bauer	Ebli	Leland	Schuitmaker
Bieda	Farrah	Lemmons	Scott
Booher	Gaffney	Lindberg	Sheltrown
Brandenburg	Gillard	Mayer	Simpson
Brown	Gonzales	McDowell	Smith, Alma
Byrnes	Griffin	Meadows	Smith, Virgil
Byrum	Hammel	Meekhof	Spade
Casperson	Hammon	Meisner	Stahl

Cheeks	Hansen	Melton	Stakoe
Clack	Hood	Meltzer	Tobocman
Clemente	Hopgood	Miller	Vagnozzi
Condino	Horn	Moore	Valentine
Constan	Huizenga	Nofs	Walker
Corriveau	Jackson	Palsrok	Warren
Coulouris	Johnson	Pastor	Wojno
Cushingberry	Jones, Robert	Pearce	Young
Dean	LaJoy	Polidori	

Nays—29

Agema	Garfield	Lahti	Pavlov
Amos	Green	Marleau	Robertson
Ball	Hildenbrand	Moolenaar	Shaffer
Calley	Hoogendyk	Moss	Sheen
Caswell	Hune	Nitz	Steil
Caul	Jones, Rick	Opsommer	Ward
Elsenheimer	Knollenberg	Palmer	Wenke
Emmons			

In The Chair: Sak

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

“Mr. Speaker and members of the House:

I voted against this bill because it does not restore the TEDF money even though the law is clear that this money cannot be appropriated for any other purpose than the TEDF fund.”

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

“Mr. Speaker and members of the House:

I am voting no on this supplemental because of the \$11 million allocation of funds for the DEQ to increase budget funding that they could not get increased through the regular budget process.”

Rep. Tobocman moved that Rep. Cushingberry be excused temporarily from today’s session.
The motion prevailed.

Messages from the Senate

The House returned to the consideration of

House Bill No. 5463, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” by amending section 410 (MCL 208.1410).
(The bill was considered earlier today, see today’s Journal, p. 784.)

The question being on the adoption of the amendments offered previously by Rep. Bieda,
Rep. Bieda withdrew the amendments.

The question being on concurring in the substitute (S-4) made to the bill by the Senate,

Rep. Bieda moved to amend the Senate substitute (S-4) as follows:

1. Amend page 2, line 6, after “that” by inserting “satisfies each of the following:

(a) Is”.

2. Amend page 2, line 7, by striking out “IS”.

3. Amend page 2, line 12, after “entertainment” by inserting a period and:

“(b) The owner, operator, manager, licensee, lessee, or tenant as described in subdivision (a) has made a capital investment of not less than ~~\$250,000,000.00~~ **\$125,000,000.00**, collectively or individually, including through affiliated companies, into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit.

(c) The owner, operator, manager, licensee, lessee, or tenant as described in subdivision (a)”.

4. Amend page 2, line 20, by striking out “**AND THAT**”.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

The question being on concurring in the substitute (S-4) made to the bill by the Senate,

The substitute (S-4), as amended, was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 291

Yeas—102

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

Nays—5

Caswell	Miller	Vagnozzi	Walker
Garfield			

In The Chair: Sak

The House agreed to the full title.

Second Reading of Bills

House Bill No. 5383, entitled

A bill to provide for the member-regulation of electric cooperatives; to prescribe the powers and duties of certain state agencies and officials; and to provide for certain penalties and remedies.

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

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

Rep. Brown moved to amend the bill as follows:

1. Amend page 10, following line 1, by inserting:

“(4) A municipally owned utility that has entered into a service area agreement with a cooperative in accordance with section 10y(6) of 1939 PA 3, MCL 460.10y, may file an action in the circuit court in the district where the cooperative’s main office is located alleging that a rate or charge offered by the cooperative is unjust and unreasonable. An action filed under this subsection shall be filed within 60 days after the municipally owned utility becomes aware of the rate or charge. In determining whether a rate or charge is just and reasonable, the circuit court shall use the standards set forth in subsection (3) for determinations made by the commission. If the circuit court determines that the rate or charge offered to the prospective customer is unjust or unreasonable, the court shall order the cooperative to assess the appropriate rate or charge to the prospective customer. Notwithstanding any law to the contrary, if the circuit court issues an order under this subsection, any prospective customer directly affected by the order shall be permitted by the cooperative to switch service to the objecting municipally owned utility, if the affected customer has given the cooperative written notice of the customer’s intent to switch within 60 days from the date of the court’s order and the objecting municipally owned utility agrees to pay the cooperative the reasonable value, as determined by the circuit court, of its facilities that will continue to be used to serve the customer by the objecting municipally owned utility.” and renumbering the remaining subsections.

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

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5383, entitled

A bill to provide for the member-regulation of electric cooperatives; to prescribe the powers and duties of certain state agencies and officials; and to provide for certain penalties and remedies.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 292

Yeas—107

Accavitti	Donigan	LaJoy	Polidori
Acciavatti	Ebli	Law, David	Proos
Agema	Elsenheimer	Law, Kathleen	Robertson
Amos	Emmons	LeBlanc	Rocca
Angerer	Farrah	Leland	Sak
Ball	Gaffney	Lemmons	Schuitmaker
Bauer	Garfield	Lindberg	Scott
Bieda	Gillard	Marleau	Shaffer
Booher	Gonzales	Mayer	Sheen
Brandenburg	Green	McDowell	Sheltrown
Brown	Griffin	Meadows	Simpson
Byrnes	Hammel	Meekhof	Smith, Alma
Byrum	Hammon	Meisner	Smith, Virgil
Calley	Hansen	Melton	Spade

Casperson	Hildenbrand	Meltzer	Stahl
Caswell	Hood	Miller	Stakoe
Caul	Hoogendyk	Moolenaar	Steil
Cheeks	Hopgood	Moore	Tobocman
Clack	Horn	Moss	Vagnozzi
Clemente	Huizenga	Nitz	Valentine
Condino	Hune	Nofs	Walker
Constan	Jackson	Opsommer	Ward
Corriveau	Johnson	Palmer	Warren
Coulouris	Jones, Rick	Palsrok	Wenke
Dean	Jones, Robert	Pastor	Wojno
DeRoche	Knollenberg	Pavlov	Young
Dillon	Lahti	Pearce	

Nays—0

In The Chair: Sak

The House agreed to the title of the bill.
 Rep. Tobocman moved that the bill be given immediate effect.
 The motion prevailed, 2/3 of the members serving voting therefor.

Second Reading of Bills

House Bill No. 5972, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432.
 Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Energy and Technology,

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

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5972, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432.
 Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 293

Yeas—107

Accavitti	Donigan	LaJoy	Polidori
Acciavatti	Ebli	Law, David	Proos
Agema	Elsenheimer	Law, Kathleen	Robertson
Amos	Emmons	LeBlanc	Rocca
Angerer	Farrah	Leland	Sak
Ball	Gaffney	Lemmons	Schuitmaker
Bauer	Garfield	Lindberg	Scott
Bieda	Gillard	Marleau	Shaffer

Booher	Gonzales	Mayes	Sheen
Brandenburg	Green	McDowell	Sheltrown
Brown	Griffin	Meadows	Simpson
Byrnes	Hammel	Meekhof	Smith, Alma
Byrum	Hammon	Meisner	Smith, Virgil
Calley	Hansen	Melton	Spade
Casperson	Hildenbrand	Meltzer	Stahl
Caswell	Hood	Miller	Stakoe
Caul	Hoogendyk	Moolenaar	Steil
Cheeks	Hopgood	Moore	Tobocman
Clack	Horn	Moss	Vagnozzi
Clemente	Huizenga	Nitz	Valentine
Condino	Hune	Nofs	Walker
Constan	Jackson	Opsommer	Ward
Corriveau	Johnson	Palmer	Warren
Coulouris	Jones, Rick	Palsrok	Wenke
Dean	Jones, Robert	Pastor	Wojno
DeRoche	Knollenberg	Pavlov	Young
Dillon	Lahti	Pearce	

Nays—0

In The Chair: Sak

The House agreed to the title of the bill.
 Rep. Tobocman moved that the bill be given immediate effect.
 The motion prevailed, 2/3 of the members serving voting therefor.

Second Reading of Bills

House Bill No. 5973, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” (MCL 208.1101 to 208.1601) by adding section 432a.
 Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Energy and Technology,

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

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5973, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” (MCL 208.1101 to 208.1601) by adding section 432a.
 Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 294

Yeas—107

Accavitti	Donigan	LaJoy	Polidori
Acciavatti	Ebli	Law, David	Proos

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

Nays—0

In The Chair: Sak

The House agreed to the title of the bill.

Rep. Tobocman moved that the bill be given immediate effect.

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

Second Reading of Bills

House Bill No. 5974, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432b.

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

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

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

Rep. Hansen moved that Rep. Wenke be excused temporarily from today's session.

The motion prevailed.

By unanimous consent the House returned to the order of
Third Reading of Bills

House Bill No. 5974, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432b. Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 295

Yeas—106

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

Nays—0

In The Chair: Sak

The House agreed to the title of the bill.
 Rep. Tobocman moved that the bill be given immediate effect.
 The motion prevailed, 2/3 of the members serving voting therefor.

Second Reading of Bills

House Bill No. 5975, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432c. Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Energy and Technology,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.
 Rep. Ball moved that the bill be placed on the order of Third Reading of Bills.
 The motion prevailed.
 Rep. Tobocman moved that the bill be placed on its immediate passage.
 The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the House returned to the order of
Third Reading of Bills

House Bill No. 5975, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432c.
 Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 296

Yeas—107

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

Nays—0

In The Chair: Sak

The House agreed to the title of the bill.
 Rep. Tobocman moved that the bill be given immediate effect.
 The motion prevailed, 2/3 of the members serving voting therefor.

Second Reading of Bills

House Bill No. 5524, entitled

A bill to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," by amending sections 10, 10a, 10b, 10c, 10d, 10e, 10g, 10p, 10r, 10x, and 10y (MCL 460.10, 460.10a, 460.10b, 460.10c, 460.10d, 460.10e, 460.10g, 460.10p, 460.10r, 460.10x, and 460.10y), sections 10, 10b, 10c, 10e, 10p, 10r, 10x, and 10y as added by 2000 PA 141, section 10a as amended by 2004 PA 88, section 10d as amended by 2002 PA 609, and section 10g as amended by 2001 PA 48; and to repeal acts and parts of acts.

Was read a second time, and the question being on the adoption of the proposed substitute (H-3) previously recommended by the Committee on Energy and Technology,

The substitute (H-3) was adopted, a majority of the members serving voting therefor.

Rep. Accavitti moved to amend the bill as follows:

1. Amend page 59, following line 16, by inserting:

"SEC. 10DD. FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008, THERE IS APPROPRIATED TO THE COMMISSION FROM THE ASSESSMENTS IMPOSED UNDER 1972 PA 299, MCL 460.111 TO MCL 460.120, THE AMOUNT OF \$1,000,000.00 TO HIRE 25.0 FULL-TIME EQUATED POSITIONS TO IMPLEMENT THE PROVISIONS OF THE AMENDATORY ACT THAT ADDED THIS SECTION."

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

Rep. Nofs moved to amend the bill as follows:

1. Amend page 62, following line 14, by inserting:

"Enacting section 1. This act does not take effect unless all of the following bills of the 94th Legislature are enacted into law:

- (a) House Bill No. 5525.
- (b) House Bill No. 5548.
- (c) House Bill No. 5549.
- (d) House Bill No. 5972.
- (e) House Bill No. 5973.
- (f) House Bill No. 5974.
- (g) House Bill No. 5975.
- (h) House Bill No. 5976.
- (i) House Bill No. 5977."

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

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5524, entitled

A bill to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan

public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,” by amending sections 10, 10a, 10b, 10c, 10d, 10e, 10g, 10p, 10r, 10x, and 10y (MCL 460.10, 460.10a, 460.10b, 460.10c, 460.10d, 460.10e, 460.10g, 460.10p, 460.10r, 460.10x, and 460.10y), sections 10, 10b, 10c, 10e, 10p, 10r, 10x, and 10y as added by 2000 PA 141, section 10a as amended by 2004 PA 88, section 10d as amended by 2002 PA 609, and section 10g as amended by 2001 PA 48; and to repeal acts and parts of acts.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 297**Yeas—78**

Accavitti	Donigan	Lahti	Proos
Angerer	Ebli	LaJoy	Robertson
Ball	Elsenheimer	Law, Kathleen	Rocca
Bauer	Farrah	Leland	Sak
Bieda	Gaffney	Lemmons	Schuitmaker
Booher	Gillard	Lindberg	Scott
Brown	Gonzales	Mayes	Sheltrown
Byrnes	Hammel	McDowell	Simpson
Byrum	Hammon	Meadows	Smith, Alma
Calley	Hansen	Meisner	Smith, Virgil
Caswell	Hildenbrand	Melton	Spade
Caul	Hood	Miller	Tobocman
Cheeks	Hopgood	Moolenaar	Vagnozzi
Clack	Horn	Moore	Valentine
Clemente	Hune	Nofs	Walker
Condino	Jackson	Opsommer	Ward
Constan	Johnson	Palsrok	Warren
Coulouris	Jones, Rick	Pastor	Wojno
Cushingberry	Jones, Robert	Polidori	Young
Dillon	Knollenberg		

Nays—30

Acciavatti	Emmons	Marleau	Pearce
Agema	Garfield	Meekhof	Shaffer
Amos	Green	Meltzer	Sheen
Brandenburg	Griffin	Moss	Stahl
Casperson	Hoogendyk	Nitz	Stakoe
Corriveau	Huizenga	Palmer	Steil
Dean	Law, David	Pavlov	Wenke
DeRoche	LeBlanc		

In The Chair: Sak

The question being on agreeing to the title of the bill,

Rep. Tobocman moved to amend the title to read as follows:

A bill to amend 1939 PA 3, entitled “An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to

provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," by amending sections 6a, 10, 10a, 10b, 10d, 10g, 10p, 10r, 10x, and 10y (MCL 460.6a, 460.10, 460.10a, 460.10b, 460.10d, 460.10g, 460.10p, 460.10r, 460.10x, and 460.10y), section 6a as amended by 1992 PA 37, sections 10, 10b, 10p, 10r, 10x, and 10y as added by 2000 PA 141, section 10a as amended by 2004 PA 88, section 10d as amended by 2002 PA 609, and section 10g as amended by 2001 PA 48, and by adding sections 4a, 6q, 6r, 10dd, and 11.

The motion prevailed.

The House agreed to the title as amended.

Rep. Tobocman moved that the bill be given immediate effect.

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

Rep. Sheen, having reserved the right to explain his protest against the passage of the bill, made the following statement:

"Mr. Speaker and members of the House:

I cannot support House Bills 5524. These bills will severely hurt consumer competition in the electric industry, which in turn will drive up costs. By supporting these bills we will be allowing DTE and Consumer's Energy to be guaranteed a certain number of customers, which is what a monopoly. Due to the horrible condition of our economy, Michigan residents are already dealing with economic difficulties. These house bills will ultimately limit consumer choice, raise electric rates, and monopolize the electric system. Though establishing an energy efficiency program in Michigan is an admirable goal, the proposed house bills are not the best route to achieve this. Having been a financial advisor for twenty years, private capitol is raised through venture capitol and issuances of stocks and bonds. Our entire capitalistic system is biased on this. Why should the state of Michigan have to promise Consumers and DTE anything when they can do the same thing that every other private company does to raises capitol to build a new facility which will generate a profit. Government should not pick winners and losers, they should not pick one energy company over another, and they should stay out of the market place! This is also a mandate requiring our industries to meet various renewable standards by specific dates. I support renewable energy, but I do not support mandates, I support incentives. We do not need to increase the cost or the difficulty of doing business in Michigan, these provisions most definitely will. For these reasons, I will not support the proposed energy bills."

Rep. Agema, having reserved the right to explain his protest against the passage of the bill, made the following statement:

"Mr. Speaker and members of the House:

This country was built on competition and free market. A monopoly never reduces costs. I support nuclear, renewable, solar etc as part of a goal but not a mandate that requires consumers to pay higher bills at a time we are in a recession. The free market always gives the best price."

Second Reading of Bills

House Bill No. 5976, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432d.

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

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

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

Rep. Tobocman moved that Rep. Scott be excused temporarily from today's session.
The motion prevailed.

By unanimous consent the House returned to the order of
Third Reading of Bills

House Bill No. 5976, entitled

A bill to amend 2007 PA 36, entitled "Michigan business tax act," (MCL 208.1101 to 208.1601) by adding section 432d.
Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 298

Yeas—107

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

Nays—0

In The Chair: Sak

The House agreed to the title of the bill.
Rep. Tobocman moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Second Reading of Bills**House Bill No. 5549, entitled**

A bill to require certain providers of retail electric service to establish a renewable energy program; and to prescribe the powers and duties of certain state agencies and officials.

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

The substitute (H-1) was not adopted, a majority of the members serving not voting therefor.

Rep. Palsrok moved to substitute (H-3) the bill.

The motion prevailed and the substitute (H-3) was adopted, a majority of the members serving voting therefor.

Rep. Green moved to amend the bill as follows:

1. Amend page 2, line 12, by striking out all of subdivision (xii) and renumbering the remaining subdivision.

2. Amend page 5, following line 18, by inserting:

“(viii) Municipal solid waste, including, but not limited to, landfilled municipal solid waste that produces landfill gas.”.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills**House Bill No. 5549, entitled**

A bill to require certain providers of retail electric service to establish a renewable energy program; and to prescribe the powers and duties of certain state agencies and officials.

The bill was read a third time.

The question being on the passage of the bill,

Rep. Huizenga moved to amend the bill as follows:

1. Amend page 14, following line 2, by inserting:

“Sec. 41. (1) Within 90 days after the effective date of this act, the commission shall submit to the legislature a report specifying the number of jobs in the renewable energy sector in this state as of the effective date of this act.

(2) The commission shall subsequently submit to the legislature annual reports in each of the years listed in subsection (3) specifying the cumulative net number of jobs created in this state as a result of this act. The subsequent annual reports shall consider the total number of jobs in the renewable energy sector in this state and the number of those jobs that were lost or not created in other sectors of the economy as a result of this act. The commission shall file the reports under this subsection with the legislature by March 1 following the year covered by the report.

(3) Notwithstanding any other provision of this act, the renewable energy portfolio standard does not apply if the commission submits an annual report under subsection (2) that shows that this act has failed to result in cumulative net job creation of at least the following number of jobs by the end of the year specified:

(a) 2009, 1,000 jobs.

(b) 2010, 2,000 jobs.

(c) 2011, 3,000 jobs.

(d) 2012, 5,000 jobs.

(e) 2015, 10,000 jobs.

(f) 2020, 17,000 jobs.

(g) 2025, 25,000 jobs.

(4) The department of labor and economic growth and the Michigan economic development commission shall assist the commission in fulfilling the requirements of this section.”.

The motion was seconded.

The question being on the adoption of the amendment offered by Rep. Huizenga,

Rep. Huizenga withdrew the amendment.

The question being on the passage of the bill,

The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 299**Yeas—82**

Accavitti	Donigan	LaJoy	Polidori
Angerer	Ebli	Law, David	Proos
Ball	Farrah	Law, Kathleen	Rocca
Bauer	Gaffney	LeBlanc	Sak
Bieda	Gillard	Leland	Schuitmaker
Booher	Gonzales	Lemmons	Shaffer
Brown	Green	Lindberg	Sheltrown
Byrnes	Griffin	Marleau	Simpson
Byrum	Hammel	Mayes	Smith, Alma
Calley	Hammon	Meadows	Smith, Virgil
Caswell	Hansen	Meisner	Spade
Caul	Hildenbrand	Melton	Tobocman
Cheeks	Hood	Meltzer	Vagnozzi
Clack	Hopgood	Miller	Valentine
Clemente	Hune	Moore	Walker
Condino	Jackson	Nofs	Ward
Constan	Johnson	Opsommer	Warren
Corriveau	Jones, Rick	Palsrok	Wenke
Coulouris	Jones, Robert	Pastor	Wojno
Dean	Knollenberg	Pearce	Young
Dillon	Lahti		

Nays—21

Acciavatti	Elsenheimer	Moolenaar	Robertson
Agema	Emmons	Moss	Sheen
Amos	Garfield	Nitz	Stahl
Brandenburg	Huizenga	Palmer	Stakoe
Casperson	Meekhof	Pavlov	Steil
DeRoche			

In The Chair: Sak

The question being on agreeing to the title of the bill,

Rep. Tobocman moved to amend the title to read as follows:

A bill to require providers of retail electric service to establish a renewable energy program; to prescribe the powers and duties of certain state agencies and officials; and to provide for sanctions.

The motion prevailed.

The House agreed to the title as amended.

Rep. McDowell, under Rule 31, made the following statement:

“Mr. Speaker and members of the House:

I did not vote on Roll Call No. 299 because of a possible conflict of interest.”

Rep. Agema, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

This country was built on competition and free market. A monopoly never reduces costs. I support nuclear, renewable, solar etc as part of a goal but not a mandate that requires consumers to pay higher bills at a time we are in a recession. The free market always gives the best price.”

Rep. Nitz, having reserved the right to explain his protest against the passage of the bill, made the following statement:
 “Mr. Speaker and members of the House:

I voted against this bill because it mandates that there must be a certain amount of ‘green energy’ produced, and I am against mandating anything. If it is cost effective the market would be providing green energy.”

Rep. Tobocman moved to reconsider the vote by which the House passed the bill.

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

The question being on the passage of the bill,

The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 300**Yeas—84**

Accavitti	Donigan	Lahti	Pearce
Angerer	Ebli	LaJoy	Polidori
Ball	Farrah	Law, David	Proos
Bauer	Gaffney	Law, Kathleen	Rocca
Bieda	Gillard	LeBlanc	Sak
Booher	Gonzales	Leland	Schuitmaker
Brown	Green	Lemmons	Shaffer
Byrnes	Griffin	Lindberg	Sheltrown
Byrum	Hammel	Marleau	Simpson
Calley	Hammon	Mayes	Smith, Alma
Caswell	Hansen	Meadows	Smith, Virgil
Caul	Hildenbrand	Meisner	Spade
Cheeks	Hood	Melton	Tobocman
Clack	Hopgood	Meltzer	Vagnozzi
Clemente	Horn	Miller	Valentine
Condino	Hune	Moore	Walker
Constan	Jackson	Moss	Ward
Corriveau	Johnson	Nofs	Warren
Coulouris	Jones, Rick	Opsommer	Wenke
Dean	Jones, Robert	Palsrok	Wojno
Dillon	Knollenberg	Pastor	Young

Nays—21

Acciavatti	Elsenheimer	Meekhof	Robertson
Agema	Emmons	Moolenaar	Sheen
Amos	Garfield	Nitz	Stahl
Brandenburg	Hoogendyk	Palmer	Stakoe
Casperson	Huizenga	Pavlov	Steil
DeRoche			

In The Chair: Sak

Rep. Tobocman moved that the bill be given immediate effect.

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

Reps. Angerer, Ball, Brown, Caul, Constan, Corriveau, Coulouris, Dillon, Ebli, Gaffney, Gonzales, Hammel, Hopgood, Robert Jones, Kathleen Law, Meadows, Melton, Opsommer, Polidori, Sak, Shaffer, Sheltroun, Simpson, Tobocman, Valentine, Walker and Wenke were named co-sponsors of the bill.

Rep. McDowell, under Rule 31, made the following statement:

“Mr. Speaker and members of the House:

I did not vote on Roll Call No. 300 because of a possible conflict of interest.”

Rep. Agema, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

This country was built on competition and free market. A monopoly never reduces costs. I support nuclear, renewable, solar etc as part of a goal but not a mandate that requires consumers to pay higher bills at a time we are in a recession. The free market always gives the best price.”

Rep. Nitz, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

I voted against this bill because it mandates that there must be a certain amount of ‘green energy’ produced, and I am against mandating anything. If it is cost effective the market would be providing green energy.”

Second Reading of Bills

House Bill No. 5548, entitled

A bill to require certain providers of electric service to establish a renewable energy program and to achieve sustainable energy goals using renewable energy and energy efficiency programs; to prescribe the powers and duties of certain state agencies and officials; and to provide for sanctions.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Energy and Technology,

The substitute (H-2) was not adopted, a majority of the members serving not voting therefor.

Rep. Mayes moved to substitute (H-4) the bill.

The motion prevailed and the substitute (H-4) was adopted, a majority of the members serving voting therefor.

Rep. Virgil Smith moved to amend the bill as follows:

1. Amend page 2, line 14, by striking out all of subdivision (xii) and renumbering the remaining subdivision.

2. Amend page 5, following line 20, by inserting:

“(viii) Municipal solid waste, including, but not limited to, landfilled municipal solid waste that produces landfill gas.”.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Rep. Lindberg moved to amend the bill as follows:

1. Amend page 7, line 7, after “an” by striking out the balance of the line through “customers” on line 8 and inserting “electric utility with 1,000,000 or more retail customers in this state as of January 1, 2008”.

2. Amend page 13, line 3, after “an” by striking out the balance of the line through “customers” on line 5 and inserting “electric utility with 1,000,000 or more retail customers in this state as of January 1, 2008”.

3. Amend page 29, line 2, after “an” by striking out the balance of the line through “customers” on line 3 and inserting “electric utility with 1,000,000 or more retail customers in this state as of January 1, 2008”.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of
Third Reading of Bills

House Bill No. 5548, entitled

A bill to require certain providers of electric service to establish a renewable energy program and to achieve sustainable energy goals using renewable energy and energy efficiency programs; to prescribe the powers and duties of certain state agencies and officials; and to provide for sanctions.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 301

Yeas—86

Accavitti	Donigan	LaJoy	Pearce
Angerer	Ebli	Law, David	Polidori
Ball	Farrah	Law, Kathleen	Proos
Bauer	Gaffney	LeBlanc	Rocca
Bieda	Gillard	Leland	Sak
Booher	Gonzales	Lemmons	Schuitmaker
Brown	Green	Lindberg	Shaffer
Byrnes	Griffin	Marleau	Sheltrown
Byrum	Hammel	Mayer	Simpson
Calley	Hammon	McDowell	Smith, Alma
Caswell	Hansen	Meadows	Smith, Virgil
Caul	Hildenbrand	Meisner	Spade
Cheeks	Hood	Melton	Tobocman
Clack	Hopgood	Meltzer	Vagnozzi
Clemente	Horn	Miller	Valentine
Condino	Hune	Moore	Walker
Constan	Jackson	Moss	Ward
Corriveau	Johnson	Nofs	Warren
Coulouris	Jones, Rick	Opsommer	Wenke
Cushingberry	Jones, Robert	Palsrok	Wojno
Dean	Knollenberg	Pastor	Young
Dillon	Lahti		

Nays—21

Acciavatti	Elsenheimer	Meekhof	Robertson
Agema	Emmons	Moolenaar	Sheen
Amos	Garfield	Nitz	Stahl
Brandenburg	Hoogendyk	Palmer	Stakoe
Casperson	Huizenga	Pavlov	Steil
DeRoche			

In The Chair: Sak

The question being on agreeing to the title of the bill,

Rep. Tobocman moved to amend the title to read as follows:

A bill to require providers of retail electric service to establish a renewable energy program; to prescribe the powers and duties of certain state agencies and officials; and to provide for sanctions.

The motion prevailed.

The House agreed to the title as amended.

Rep. Tobocman moved that the bill be given immediate effect.

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

Reps. Angerer, Ball, Bieda, Brown, Caul, Clemente, Condino, Constan, Corriveau, Ebli, Gonzales, Hammel, Hammon, Hopgood, Johnson, Robert Jones, Kathleen Law, Leland, Meadows, Melton, Sak, Sheltroun, Simpson, Tobocman, Valentine, Walker and Wenke were named co-sponsors of the bill.

Rep. Nitz, having reserved the right to explain his protest against the passage of the bill, made the following statement:
“Mr. Speaker and members of the House:

I voted against this bill because it mandates that there must be a certain amount of ‘green energy’ produced, and I am against mandating anything. If it is cost effective the market would be providing green energy.”

Rep. Agema, having reserved the right to explain his protest against the passage of the bill, made the following statement:
“Mr. Speaker and members of the House:

A government mandate will again raise the rates because they are not attainable with existing technology. Since the monopoly is now set, they will raise your rates to obtain them to pay the cost of the percentages demanded at a time when consumers can least afford increases. Again, competition should dictate this not government mandates.”

Second Reading of Bills

House Bill No. 5977, entitled

A bill to amend 1995 PA 24, entitled “Michigan economic growth authority act,” by amending section 6 (MCL 207.806), as amended by 2007 PA 150.

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

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

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

Rep. Hune moved that Rep. Gaffney be excused from the balance of today’s session.

The motion prevailed.

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5977, entitled

A bill to amend 1995 PA 24, entitled “Michigan economic growth authority act,” by amending section 6 (MCL 207.806), as amended by 2007 PA 150.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 302

Yeas—105

Accavitti
Acciavatti
Agema
Amos
Angerer

Donigan
Ebli
Elsenheimer
Emmons
Farrah

LaJoy
Law, David
Law, Kathleen
LeBlanc
Leland

Pearce
Polidori
Proos
Robertson
Rocca

Ball	Garfield	Lemmons	Sak
Bauer	Gillard	Lindberg	Schuitmaker
Bieda	Gonzales	Marleau	Shaffer
Booher	Green	Mayer	Sheen
Brown	Griffin	McDowell	Sheltrown
Byrnes	Hammel	Meadows	Simpson
Byrum	Hammon	Meekhof	Smith, Alma
Calley	Hansen	Meisner	Smith, Virgil
Casperson	Hildenbrand	Melton	Spade
Caswell	Hood	Meltzer	Stahl
Caul	Hoogendyk	Miller	Stakoe
Cheeks	Hopgood	Moolenaar	Steil
Clack	Horn	Moore	Tobocman
Clemente	Huizenga	Moss	Vagnozzi
Condino	Hune	Nitz	Valentine
Constan	Jackson	Nofs	Walker
Corriveau	Johnson	Opsommer	Ward
Coulouris	Jones, Rick	Palmer	Warren
Cushingberry	Jones, Robert	Palsrok	Wenke
Dean	Knollenberg	Pastor	Wojno
DeRoche	Lahti	Pavlov	Young
Dillon			

Nays—1

Brandenburg

In The Chair: Sak

The House agreed to the title of the bill.

Rep. Tobocman moved that the bill be given immediate effect.

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

Second Reading of Bills

House Bill No. 5525, entitled

A bill to establish an energy efficiency program in this state for electric and natural gas utilities; to promote load management; to prescribe the powers and duties of certain state agencies and officials; and to provide for sanctions.

Was read a second time, and the question being on the adoption of the proposed substitute (H-3) previously recommended by the Committee on Energy and Technology,

The substitute (H-3) was not adopted, a majority of the members serving not voting therefor.

Rep. Angerer moved to substitute (H-6) the bill.

The motion prevailed and the substitute (H-6) was adopted, a majority of the members serving voting therefor.

Rep. Pavlov moved to amend the bill as follows:

1. Amend page 9, line 11, after "reasonable." by inserting "The commission shall not allow a utility to increase rates to make up for revenue lost as a result of a decrease in energy consumption.".

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

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

The motion prevailed.

Rep. Tobocman moved that the bill be placed on its immediate passage.

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

Rep. Nitz moved that Rep. Garfield be excused from the balance of today's session.
The motion prevailed.

Rep. Hansen moved that Rep. Sheen be excused temporarily from today's session.
The motion prevailed.

Rep. Pastor moved that Rep. Brandenburg be excused temporarily from today's session.
The motion prevailed.

Rep. Schuitmaker moved that Reps. Amos, Palmer and Hoogendyk be excused temporarily from today's session.
The motion prevailed.

Rep. Johnson moved that Rep. Jackson be excused temporarily from today's session.
The motion prevailed.

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5525, entitled

A bill to establish an energy efficiency program in this state for electric and natural gas utilities; to promote load management; to prescribe the powers and duties of certain state agencies and officials; and to provide for sanctions.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 303

Yeas—81

Accavitti	Dillon	LaJoy	Pastor
Angerer	Donigan	Law, David	Pearce
Ball	Ebli	Law, Kathleen	Polidori
Bauer	Farrah	LeBlanc	Proos
Bieda	Gillard	Leland	Rocca
Booher	Gonzales	Lemmons	Sak
Brown	Griffin	Lindberg	Shaffer
Byrnes	Hammel	Marleau	Sheltrown
Byrum	Hammon	Mayes	Simpson
Calley	Hansen	McDowell	Smith, Alma
Caswell	Hildenbrand	Meadows	Smith, Virgil
Caul	Hood	Meisner	Spade
Cheeks	Hopgood	Melton	Tobocman
Clack	Horn	Meltzer	Vagnozzi
Clemente	Hune	Miller	Valentine
Condino	Johnson	Moore	Walker
Constan	Jones, Rick	Moss	Ward
Corriveau	Jones, Robert	Nofs	Warren
Coulouris	Knollenberg	Opsommer	Wojno
Cushingberry	Lahti	Palsrok	Young
Dean			

Nays—18

Acciavatti	Emmons	Nitz	Stahl
Agema	Green	Pavlov	Stakoe
Casperson	Huizenga	Robertson	Steil

DeRoche
Elsenheimer

Meekhof
Moolenaar

Schuitmaker

Wenke

In The Chair: Sak

The House agreed to the title of the bill.
Rep. Tobocman moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Agema, having reserved the right to explain his protest against the passage of the bill, made the following statement:
“Mr. Speaker and members of the House:
We are again asking rate payers to cough up more money for their energy based on a government mandate.”

By unanimous consent the House returned to the order of
Motions and Resolutions

Rep. Tobocman moved that Rule 42 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Rep. Tobocman moved that the Committee on Tax Policy be discharged from further consideration of **House Bill No. 5898**.

The motion prevailed, a majority of the members serving voting therefor.
The bill was placed on the order of Second Reading of Bills.

Second Reading of Bills

House Bill No. 5898, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” (MCL 208.1101 to 208.1601) by adding section 430.
The bill was read a second time.

Rep. Moolenaar moved to substitute (H-2) the bill.
The motion prevailed and the substitute (H-2) was adopted, a majority of the members serving voting therefor.
Rep. Moolenaar moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.
Rep. Tobocman moved that the bill be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the House returned to the order of
Third Reading of Bills

House Bill No. 5898, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” (MCL 208.1101 to 208.1601) by adding section 430.
Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 304

Yeas—99

Accavitti
Acciavatti

Dillon
Donigan

Lahti
LaJoy

Pearce
Polidori

Agema	Ebli	Law, David	Proos
Angerer	Elsenheimer	Law, Kathleen	Robertson
Ball	Emmons	LeBlanc	Rocca
Bauer	Farrah	Leland	Schuitmaker
Bieda	Gillard	Lemmons	Shaffer
Booher	Gonzales	Lindberg	Sheltrown
Brown	Green	Marleau	Simpson
Byrnes	Griffin	Mayes	Smith, Alma
Byrum	Hammel	McDowell	Smith, Virgil
Calley	Hammon	Meadows	Spade
Casperson	Hansen	Meekhof	Stahl
Caswell	Hildenbrand	Meisner	Stakoe
Caul	Hood	Melton	Steil
Cheeks	Hoogendyk	Meltzer	Tobocman
Clack	Hopgood	Moolenaar	Vagnozzi
Clemente	Horn	Moore	Valentine
Condino	Huizenga	Moss	Walker
Constan	Hune	Nitz	Ward
Corriveau	Jackson	Nofs	Warren
Coulouris	Johnson	Opsommer	Wenke
Cushingberry	Jones, Rick	Palsrok	Wojno
Dean	Jones, Robert	Pastor	Young
DeRoche	Knollenberg	Pavlov	

Nays—2

Miller

Sak

In The Chair: Sak

The House agreed to the title of the bill.

Rep. Tobocman moved that the bill be given immediate effect.

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

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Tobocman moved that when the House adjourns today it stand adjourned until Tuesday, April 22, at 1:30 p.m.

The motion prevailed.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced the enrollment printing and presentation to the Governor on Thursday, April 17, for her approval of the following bills:

Enrolled House Bill No. 5609 at 2:06 p.m.

Enrolled House Bill No. 5865 at 2:08 p.m.

Enrolled House Bill No. 5866 at 2:10 p.m.

Enrolled House Bill No. 5867 at 2:12 p.m.

The Clerk announced that the following bills had been printed and placed upon the files of the members on Thursday, April 17:

Senate Bill Nos. 1264 1265 1266 1267 1268 1269 1270

Messages from the Senate

House Bill No. 5531, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 11j, 22a, 22b, 22d, 51a, 51c, 56, 62, and 104 (MCL 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1622d, 388.1651a, 388.1651c, 388.1656, 388.1662, and 388.1704), as amended by 2007 PA 137, and by adding sections 32e, 54c, 99n, and 99p.

(For text of conference report, see today's Journal, p. 772.)

The Senate has adopted the report of the Committee of Conference.

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

House Bill No. 5344, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the judicial branch for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

(For text of conference report, see today's Journal, p. 789.)

The Senate has adopted the report of the Committee of Conference.

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

Introduction of Bills

Rep. Condino introduced

House Bill No. 5995, entitled

A bill to amend 1943 PA 148, entitled "An act to provide for the regulation and licensing of proprietary schools in the state; to require surety; to provide for collection and disposition of fees; and to prescribe penalties for the violation of this act," by amending sections 1, 1a, 2, 2a, and 2b (MCL 395.101, 395.101a, 395.102, 395.102a, and 395.102b), sections 1, 2, 2a, and 2b as amended and section 1a as added by 1983 PA 60.

The bill was read a first time by its title and referred to the Committee on Regulatory Reform.

Rep. Leland introduced

House Bill No. 5996, entitled

A bill to amend 1855 PA 105, entitled "An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies," (MCL 21.141 to 21.147) by adding section 5.

The bill was read a first time by its title and referred to the Committee on Government Operations.

Rep. Angerer introduced

House Bill No. 5997, entitled

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," (MCL 125.2001 to 125.2094) by adding section 7a.

The bill was read a first time by its title and referred to the Committee on Government Operations.

Rep. Valentine introduced

House Bill No. 5998, entitled

A bill to amend 1965 PA 314, entitled "Public employee retirement system investment act," by amending section 13 (MCL 38.1133), as amended by 2000 PA 307.

The bill was read a first time by its title and referred to the Committee on Government Operations.

Rep. Meisner introduced

House Bill No. 5999, entitled

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act," by amending section 41 (MCL 432.41), as amended by 1997 PA 72.

The bill was read a first time by its title and referred to the Committee on Government Operations.

Reps. Meadows and Kathleen Law introduced

House Bill No. 6000, entitled

A bill to amend the Initiated Law of 1976, entitled "A petition to initiate legislation to provide for the use of returnable containers for soft drinks, soda water, carbonated natural or mineral water, other nonalcoholic carbonated drink, and for beer, ale, or other malt drink of whatever alcoholic content, and for certain other beverage containers; to provide for the use of unredeemed bottle deposits; to prescribe the powers and duties of certain state agencies and officials; and to prescribe penalties and provide remedies," by amending section 1 (MCL 445.571), as amended by 1989 PA 93.

The bill was read a first time by its title and referred to the Committee on Commerce.

Reps. Pastor, Garfield, Knollenberg, Polidori, Horn, Brandenburg and Virgil Smith introduced

House Bill No. 6001, entitled

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending section 13 (MCL 141.913), as amended by 2006 PA 437.

The bill was read a first time by its title and referred to the Committee on Appropriations.

Rep. Leland moved that the House adjourn.

The motion prevailed, the time being 6:25 p.m.

The Speaker Pro Tempore declared the House adjourned until Tuesday, April 22, at 1:30 p.m.

RICHARD J. BROWN
Clerk of the House of Representatives