

No. 75  
STATE OF MICHIGAN  
**Journal of the Senate**  
95th Legislature  
REGULAR SESSION OF 2009

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Senate Chamber, Lansing, Thursday, September 24, 2009.

10:00 a.m.

The Senate was called to order by the President, Lieutenant Governor John D. Cherry, Jr.

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

Allen—present  
Anderson—present  
Barcia—present  
Basham—present  
Birkholz—present  
Bishop—present  
Brater—present  
Brown—present  
Cassis—present  
Cherry—present  
Clark-Coleman—present  
Clarke—present  
Cropsey—present

Garcia—present  
George—present  
Gilbert—present  
Gleason—present  
Hardiman—present  
Hunter—present  
Jacobs—present  
Jansen—present  
Jelinek—present  
Kahn—present  
Kuipers—present  
McManus—present

Olshove—present  
Pappageorge—present  
Patterson—present  
Prusi—present  
Richardville—present  
Sanborn—present  
Scott—present  
Stamas—present  
Switalski—present  
Thomas—present  
Van Woerkom—present  
Whitmer—present



**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:05 a.m.

11:22 a.m.

The Senate was called to order by the President, Lieutenant Governor Cherry.

During the recess, Senators Bishop, Kahn, Kuipers, Stamas and Hunter entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of

**General Orders**

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

The motion prevailed, and the President, Lieutenant Governor Cherry, designated Senator George as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 785, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 5202, 8807, 30105, 30301, 30305, 30306, 30306b, 30311, 30312, 30317, 32501, 32512, 32512a, and 32513 (MCL 324.5202, 324.8807, 324.30105, 324.30301, 324.30305, 324.30306, 324.30306b, 324.30311, 324.30312, 324.30317, 324.32501, 324.32512, 324.32512a, and 324.32513), section 5202 as added by 2002 PA 397, section 8807 as added by 1998 PA 287, section 30105 as amended by 2006 PA 531, sections 30301, 30305, 30306, 30312, 32501, and 32512 as amended and section 32512a as added by 2003 PA 14, section 30306b as added by 2006 PA 435, section 30311 as added by 1995 PA 59, section 30317 as amended by 1998 PA 228, and section 32513 as amended by 2008 PA 276, and by adding sections 30303b, 30303d, 30304b, 30305b, 30311b, 30311d, 30312b, 30312d, 30325, 30327, and 30329; and to repeal acts and parts of acts.

Substitute (S-3).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

**Third Reading of Bills**

Senator Cropsey moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage:

**Senate Bill No. 785**

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

Senator Cropsey moved that the following bills be placed at the head of the Third Reading of Bills calendar:

**Senate Bill No. 785****Senate Bill No. 641****Senate Bill No. 671**

The motion prevailed.

The following bill was read a third time:

**Senate Bill No. 785, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 1301, 8807, 30105, 30301, 30303, 30306, 30306b, 30311, 30312, 30317, 32512a, and 32513 (MCL 324.1301, 324.8807, 324.30105, 324.30301, 324.30303, 324.30306, 324.30306b, 324.30311, 324.30312, 324.30317, 324.32512a, and 324.32513), section 1301 as amended by 2008 PA 18, section 8807 as added by 1998 PA 287, section 30105 as amended by 2006 PA 531, sections 30301, 30306, and 30312 as amended and section 32512a as added by 2003 PA 14,

sections 30303 and 30311 as added by 1995 PA 59, section 30306b as added by 2006 PA 435, section 30317 as amended by 1998 PA 228, and section 32513 as amended by 2008 PA 276, and by adding sections 30303b, 30303d, 30304b, 30305b, 30311b, 30311d, 30312b, 30312d, 30325, 30327, and 30329; and to repeal acts and parts of acts.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 467**

**Yeas—21**

Allen	Garcia	Jelinek	Patterson
Birkholz	George	Kahn	Richardville
Bishop	Gilbert	Kuipers	Sanborn
Brown	Hardiman	McManus	Stamas
Cassis	Jansen	Pappageorge	Van Woerkom
Cropsey			

**Nays—16**

Anderson	Cherry	Hunter	Scott
Barcia	Clark-Coleman	Jacobs	Switalski
Basham	Clarke	Olshove	Thomas
Brater	Gleason	Prusi	Whitmer

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

**Protests**

Senators Brater, Jacobs and Basham, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 785.

Senators Brater and Basham moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Brater’s statement, in which Senator Jacobs concurred, is as follows:

I would like to reiterate my thanks and appreciation for the good chair of the natural resources committee. I know that she cares deeply about the resources of this state and protecting them from degradation. Sometimes we disagree about the means, but always agreeing on the ends of protecting natural resources and, in this case, the water quality in this state.

I would like to repeat a couple of things I said on General Orders so that I can get this on the record. I think that this version of the bill goes much further than the version that came out of committee in creating some rather drastic changes to this program. The idea of adopting the federal process for delineation of wetlands for general permits will not work here in the state of Michigan.

We have a very specific hydrogeology in this state. We have an abundance of groundwater and wetlands. Michigan was one of the last territories to be settled among the Northern states that originated in the Northwest Territory because of the abundance of wetlands in this state. Many of them have been drained for agricultural and other settlement purposes, but we need to maintain the balance that we have left. It is a very delicate balance.

There are funding issues that have not been resolved. I think that specifically regarding the federal standard, the limiting, feasible, and prudent alternative definition according to the federal standard does not necessarily protect the waters of the state of Michigan. It may not go far enough. What is considered prudent on the federal level may not protect the specific wetlands that we have here in the state of Michigan, which include not only the wetlands that are inland, but the ones that border on the Great Lakes. Protecting these wetlands result in protecting the Great Lakes and their tributaries. What we are trying to do is protect the function of the habitat of the aquatic and animal life that live in these waters. They also function as flood storage. We need to look at the whole watershed context when we are protecting these wetlands.

I also have a concern about the language in this substitute regarding mitigation banking. First of all, I have my personal doubts based on some things that I have read about the value of mitigation to begin with. It is very difficult to maintain a mitigated wetland. What we mean by that is an artificial wetland that is provided when a natural wetland is removed. The old system that we had required the person who was given the benefit of the mitigation, in order to use an area that was a wetland for construction or road building, that they would have to maintain the benefits of that mitigated wetland. Under this language, all the person has to do is protect the site and not necessarily the function, and make sure that the wetland continues to function as it was intended to bring about the environmental benefits. We need to protect the ongoing function of these wetlands whether mitigated or natural.

For these reasons and many others, besides my ongoing concern that we have not yet resolved the funding issues to make sure that we have the money to run this program at the state level. Many people in the regulated community—homebuilders, Realtors, and road builders—benefit directly from the use of this program from the issuance of permits and the monitoring and enforcement. It seems to be logical that user fees be a part of the funding. Whatever the funding is going to be, we still don't have that resolved in this budget process that we are in now. I am very concerned about the chicken-and-egg nature of passing this bill right now without any funding identified.

I appreciate all of the hard work that has gone in at the committee level. I look forward to continuing to work with my colleagues to resolve these issues.

Senator Basham's statement is as follows:

I appreciate the good work of the chair of the committee, but I would also like to echo my colleague's comments from the 18th Senate District. Essentially, what we are doing here is weakening what we already have with no way to pay for it. There is some conversation about paying for it with the Clean Michigan Initiative bonding that went before the voters. That was not the intent of the CMI monies.

I also believe that the way this bill is before us today drifts away from the legislative intent of the law. The DEQ cannot promulgate or interpret rules more stringent than federal guidelines when evaluating the existence of feasible or prudent alternatives. This is troubling to a number of folks, including myself.

I still think there has been good work done on this legislation. I think there is more good work to be done on this legislation. We need to make sure that if we want to keep a program, then we should step up and fund it, and find a continuing revenue stream to fund a program that everyone says is vital to the state of Michigan.

I would encourage colleagues to oppose this piece of legislation as it stands.

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

The motion prevailed.

Senator Birkholz's statement is as follows:

After about eight months of continued conversations and workgroup meetings with many, many of the interested parties, we are going to adopt legislation that has two significant goals that I think we need to keep in front of us all the time. First of all, we will retain authority over our state's wetland program to provide more certainty of environmental protection and implement reforms. Secondly, we will give our regulated community more economic certainty.

We have made many changes in what is happening with the wetlands issues before us. We think that these are good and major reforms. We created a new set of minor and general permits consistent with the federal program to streamline permitting decisions and reduces the DEQ workload.

We have adopted the federal delineation manual of what constitutes a wetland and has a more rigorous and science-based approach to identifying wetlands. We are creating opportunities for cranberry farming in Michigan—a multimillion-dollar industry that sees Michigan as fertile ground for investment. We have talked with companies that want to locate here. We have talked with cranberry farmers who are already operational with small farms and want to expand their operations.

We create a program to use conservation districts and local units of government in assisting the DEQ if they decide they want to participate. We create a program to test new proposals to stimulate wetland mitigation banks—a very important part of wetlands conservation.

We continue with the integration of permits for floodplain, submerged lands, and inland lakes and streams. Now a person can go to one department and apply for all three of those permits which are often part of a wetlands permit. You can get

multiple permits with one request, one form, and one application. We require the DEQ to work with the Army Corps of Engineers to avoid duplication of permits for our Great Lakes shoreline.

This legislation will help us maintain our sovereign rights over our property, our wetland resource here in Michigan. We can control our own destiny. We can make reforms if they need to be made because in this we have an advisory council much as we did with the Great Lakes Compact and the water withdrawal legislation. We can decide how we want to protect our wetlands. We can control our own spending. If we decide we don't want to continue doing this after two and a half years, we can relinquish it to the federal government.

I just would like to remind the members, if you think federal control is a good thing, how many of you in this body have helped me work on ballast water legislation over 12 years? Michigan has its own ballast water law. We have a law on our books, and we enforce invasive species prohibitions in our Great Lakes water. But guess what? The feds have yet to move a bill in Congress to get ballast water under control. We can do this ourselves. We can do it better, more efficiently, and more effectively. I urge your support of this legislation.

The following bill was read a third time:

**Senate Bill No. 641, entitled**

A bill to amend 2008 PA 456, entitled "An act to amend 1966 PA 346, entitled "An act to create a state housing development authority; to define the powers and duties of the authority; to establish a housing development revolving fund; to establish a land acquisition and development fund; to establish a rehabilitation fund; to establish a conversion condominium fund; to create certain other funds and provide for the expenditure of certain funds; to authorize the making and purchase of loans, deferred payment loans, and grants to qualified developers, sponsors, individuals, mortgage lenders, and municipalities; to establish and provide acceleration and foreclosure procedures; to provide tax exemption; to authorize payments instead of taxes by nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, mobile home park corporations, and mobile home park associations; and to prescribe criminal penalties for violations of this act," (MCL 125.1401 to 125.1499c) by adding chapter 3B," by repealing enacting section 1.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 468**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Scott
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry			

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 671, entitled**

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 267 (MCL 208.1267).

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 469**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Scott
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry			

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The President pro tempore, Senator Richardville, assumed the Chair.

By unanimous consent the Senate proceeded to the order of

**Introduction and Referral of Bills**

Senators Brater, Jacobs, Clark-Coleman, Clarke, Scott, Cherry, Olshove, Anderson, Switalski and Basham introduced **Senate Bill No. 864, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," by amending sections 755, 774, 776, 780, 784, and 786 (MCL 330.1755, 330.1774, 330.1776, 330.1780, 330.1784, and 330.1786), as added by 1995 PA 290; and to repeal acts and parts of acts.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Brater, Jacobs, Clark-Coleman, Clarke, Scott, Cherry, Olshove, Anderson, Basham, Switalski and Thomas introduced

**Senate Bill No. 865, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," by amending sections 116 and 208 (MCL 330.1116 and 330.1208), section 116 as amended by 1998 PA 67 and section 208 as amended by 1995 PA 290.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Brater, Jacobs, Clark-Coleman, Clarke, Scott, Cherry, Olshove, Anderson, Basham, Switalski and Thomas introduced

**Senate Bill No. 866, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," by amending sections 116, 232a, and 232b (MCL 330.1116, 330.1232a, and 330.1232b), section 116 as amended by 1998 PA 67, section 232a as added by 1995 PA 290, and section 232b as added by 2002 PA 597.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Brater, Jacobs, Clark-Coleman, Clarke, Scott, Cherry, Olshove, Anderson, Basham, Switalski and Thomas introduced

**Senate Bill No. 867, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," by amending sections 754 and 755 (MCL 330.1754 and 330.1755), section 754 as amended by 2006 PA 604 and section 755 as added by 1995 PA 290.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Brater, Jacobs, Clark-Coleman, Clarke, Scott, Cherry, Olshove, Anderson, Switalski, Basham and Thomas introduced

**Senate Bill No. 868, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," (MCL 330.1001 to 330.2106) by adding section 721.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Brater, Jacobs, Clark-Coleman, Clarke, Scott, Cherry, Olshove, Anderson, Switalski, Basham and Thomas introduced

**Senate Bill No. 869, entitled**

A bill to amend 1998 PA 386, entitled "Estates and protected individuals code," by amending section 5314 (MCL 700.5314), as amended by 2000 PA 469.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Scott, Brater, Gleason, Jacobs, Clark-Coleman, Clarke, Cherry, Olshove, Anderson, Basham, Switalski and Thomas introduced

**Senate Bill No. 870, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," by amending sections 720, 754, and 755 (MCL 330.1720, 330.1754, and 330.1755), sections 720 and 755 as added by 1995 PA 290 and section 754 as amended by 2006 PA 604, and by adding section 142a.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Cherry, Brater, Jacobs, Clark-Coleman, Scott, Olshove, Anderson, Switalski, Basham and Thomas introduced

**Senate Bill No. 871, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," by amending section 401 (MCL 330.1401), as amended by 2004 PA 496.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Thomas, Brater, Jacobs, Clark-Coleman, Scott, Cherry, Olshove, Anderson, Basham and Switalski introduced

**Senate Bill No. 872, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," (MCL 330.1001 to 330.2106) by adding section 709.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Thomas, Brater, Jacobs, Anderson, Scott, Cherry, Olshove, Switalski and Basham introduced

**Senate Bill No. 873, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," by amending sections 415, 416, and 419 (MCL 330.1415, 330.1416, and 330.1419), section 415 as amended by 2004 PA 557, section 416 as amended by 1995 PA 290, and section 419 as amended by 1984 PA 186.

The bill was read a first and second time by title and referred to the Committee on Health Policy.



Senators Gleason, Brater, Jacobs, Clark-Coleman, Clarke, Scott, Cherry, Anderson, Switalski, Basham and Thomas introduced

**Senate Bill No. 874, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," by amending sections 100b, 116, and 206 (MCL 330.1100b, 330.1116, and 330.1206), section 100b as amended by 2004 PA 499, section 116 as amended by 1998 PA 67, and section 206 as amended by 1995 PA 290, and by adding section 206a.

The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senator Switalski introduced

**Senate Bill No. 875, entitled**

A bill to provide for a registry to notify Michigan residents who want to honor Michigan soldiers who have died in combat; and to provide for certain duties of certain state agencies.

The bill was read a first and second time by title and referred to the Committee on Senior Citizens and Veterans Affairs.

Senators Gilbert, Kuipers and Cassis introduced

**Senate Bill No. 876, entitled**

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," (MCL 247.651 to 247.675) by adding section 10p.

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

### Statements

Senators Stamas and Scott asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Stamas' statement is as follows:

I'd like to take a moment to thank one of my staff as he prepares to depart from my office. Michael DeRyder of Bellevue has been a member of my staff since February 2008, serving as my special projects coordinator. He is a graduate of Michigan State University and will soon be graduating from Cooley Law School.

An avid sportsman, Mike has really done a great job working on conservation-based issues for my office. His knowledge of conservation issues has been a great help for the 36th Senate District. He is the epitome of a business entrepreneur. He owns his own landscaping business, DeRyder Land Development, and hosts a hunting show for "Midwest Whitetail."

As I said, he will be graduating with his law degree soon, and I understand he is thinking about running for public office sometime in the near future. After all this, you think he would know better, but he would do an outstanding job,

and I have no doubt about his success. He is kind enough to continue to help out as a volunteer in my office on special projects.

With that, I would like to ask my Senate colleagues to join me in thanking Mike for all the great work he has done for my office, the residents of the 36th District, and the state of Michigan.

Senator Scott's statement is as follows:

Next week, I will once again hold a rally on the steps of the State Capitol to call for action on auto insurance reform. I fully expect to be joined by even more people than attended my 2007 rally. Our economy has changed since then, and many more people are feeling the sting of unfair auto insurance rates.

If you read the *Detroit Free Press* opinion page recently, then you saw Jeff Gerritt's editorial on unfair auto insurance rates. He wrote about the Detroit residents who are forced to drive without insurance because they are charged exorbitant rates: "\$4,000 a year or more is not uncommon," he writes. Mr. Gerritt goes on to say, "The problem goes beyond Detroit, Flint, Benton Harbor and other urban centers. Statewide, 17 percent of all motorists drive uninsured, up from 11 percent in 1989, says the Insurance Research Council. Michigan's economic slump will make matters even worse. Nationally, a percentage-point jump in the jobless rate corresponds to a similar increase in the rate of uninsured drivers."

It is high time that we listen to the people and do something about auto insurance rates. If we act now, we could even do it in time for my rally. It could please a lot of people and generate a lot of goodwill from our constituents, if you will work with me and help the people of Michigan by approving legislation to create reasonable auto insurance rates.

Also, Mr. President, I hope you have 100 percent on your side. I have 100 percent over here for the Children's Trust Fund. I want to thank everyone for doing that. Thank you for nudging some of mine. We have 100 percent over here, so maybe I better come over there and nudge a few. I want everyone to attend the function on September 30 at the Lansing Center. Hopefully, we will be through with the budget by then.

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

Senator Cropsey moved that when the Senate adjourns today, it stand adjourned until Friday, September 25, at 9:00 a.m.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of  
**Conference Reports**

### **Recess**

Senator Cropsey moved that the Senate recess until 3:00 p.m.  
The motion prevailed, the time being 12:08 p.m.

The Senate reconvened at the expiration of the recess and pursuant to rule 1.101, in the absence of the Presiding Officers, the Senate was called to order by the Secretary of the Senate.

### **Recess**

Senator Cropsey moved that the Senate recess until 5:00 p.m.  
The motion prevailed, the time being 3:01 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President pro tempore, Senator Richardville.

### **Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 5:02 p.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

Senator Cropsey submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 249, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Recommends:

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

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

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**JUDICIARY**

APPROPRIATION SUMMARY:

Full-time equated exempted positions .....	491.0		
<b>GROSS APPROPRIATION</b> .....		\$	258,762,300
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers .....			3,553,500
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$	255,208,800
Federal revenues:			
Total federal revenues.....			5,126,500
Special revenue funds:			
Total local revenues .....			6,149,300
Total private revenues .....			842,500
Total other state restricted revenues .....			89,957,700
State general fund/general purpose .....		\$	153,132,800

**Sec. 102. SUPREME COURT**

Full-time equated exempted positions .....	243.0		
Supreme court administration—97.0 FTE positions .....		\$	10,548,400
Judicial institute—13.0 FTE positions .....			2,554,500
State court administrative office—60.0 FTE positions .....			11,009,200
Judicial information systems—22.0 FTE positions .....			3,092,100
Direct trial court automation support—36.0 FTE positions .....			6,149,300
Foster care review board—12.0 FTE positions .....			1,235,000
Community dispute resolution—3.0 FTE positions .....			2,300,400
Other federal grants .....			275,000
Drug treatment courts .....			5,132,900
Juvenile training pilot project.....			100
<b>GROSS APPROPRIATION</b> .....		\$	42,296,900

Appropriated from:

Interdepartmental grant revenues:			
IDG from department of community health.....			1,800,000

	For Fiscal Year Ending Sept. 30, 2010
IDG from department of corrections .....	\$ 1,030,000
IDG from state police - Michigan justice training fund.....	300,000
Federal revenues:	
DOJ, victims assistance programs .....	50,000
DOJ, drug court training and evaluation .....	300,000
DOT, national highway traffic safety administration .....	1,300,000
HHS, access and visitation grant.....	387,000
HHS, children’s justice grant .....	206,300
HHS, court improvement project.....	1,160,000
HHS, title IV-D child support program .....	907,700
HHS, title IV-E foster care program .....	540,400
Other federal grant revenues .....	275,100
Special revenue funds:	
Local - user fees.....	6,149,300
Private.....	169,000
Private - interest on lawyers trust accounts.....	232,700
Private - state justice institute .....	370,800
Community dispute resolution fund .....	2,300,400
Law exam fees.....	536,200
Drug court fund .....	1,920,500
Miscellaneous revenue.....	227,900
Justice system fund.....	700,000
State court fund .....	339,000
State general fund/general purpose .....	\$ 21,094,600
<b>Sec. 103. COURT OF APPEALS</b>	
Full-time equated exempted positions .....	190.0
Court of appeals operations—190.0 FTE positions .....	\$ 18,414,300
GROSS APPROPRIATION .....	\$ 18,414,300
Appropriated from:	
Special revenue funds:	
Court filing/motion fees .....	1,958,500
Miscellaneous revenue.....	77,800
State general fund/general purpose .....	\$ 16,378,000
<b>Sec. 104. BRANCHWIDE APPROPRIATIONS</b>	
Full-time equated exempted positions .....	4.0
Branchwide appropriations—4.0 FTE positions.....	\$ 8,039,400
GROSS APPROPRIATION .....	\$ 8,039,400
Appropriated from:	
State general fund/general purpose .....	\$ 8,039,400
<b>Sec. 105. JUSTICES’ AND JUDGES’ COMPENSATION</b>	
Full-time judges positions .....	617.0
Supreme court justices’ salaries—7.0 justices .....	\$ 1,152,300
Court of appeals judges’ salaries—28.0 judges .....	4,240,300
District court judges’ state base salaries—258.0 judges .....	23,877,200
District court judicial salary standardization.....	11,796,800
Probate court judges’ state base salaries—103.0 judges.....	9,627,900
Probate court judicial salary standardization.....	4,669,700
Circuit court judges’ state base salaries—221.0 judges .....	20,817,200
Circuit court judicial salary standardization.....	10,105,000
Judges’ retirement system defined contributions .....	3,781,000
OASI, social security.....	5,468,400
GROSS APPROPRIATION .....	\$ 95,535,800
Appropriated from:	
Special revenue funds:	
Court fee fund .....	7,090,200
State general fund/general purpose .....	\$ 88,445,600

For Fiscal Year  
Ending Sept. 30,  
2010

<b>Sec. 106. JUDICIAL AGENCIES</b>	
Full-time equated exempted positions .....	7.0
Judicial tenure commission—7.0 FTE positions .....	\$ 969,700
<b>GROSS APPROPRIATION</b> .....	\$ 969,700
Appropriated from:	
State general fund/general purpose .....	\$ 969,700
<b>Sec. 107. INDIGENT DEFENSE - CRIMINAL</b>	
Full-time equated exempted positions .....	47.0
Appellate public defender program—39.0 FTE positions .....	\$ 4,900,500
Appellate assigned counsel administration—8.0 FTE positions .....	908,800
<b>GROSS APPROPRIATION</b> .....	\$ 5,809,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from state police - Michigan justice training fund.....	423,500
Special revenue funds:	
Private - interest on lawyers trust accounts.....	70,000
Miscellaneous revenue.....	113,100
State general fund/general purpose .....	\$ 5,202,700
<b>Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE</b>	
Indigent civil legal assistance.....	\$ 7,937,000
<b>GROSS APPROPRIATION</b> .....	\$ 7,937,000
Appropriated from:	
Special revenue funds:	
State court fund .....	7,937,000
State general fund/general purpose .....	\$ 0
<b>Sec. 109. TRIAL COURT OPERATIONS</b>	
Court equity fund reimbursements .....	\$ 64,794,900
Judicial technology improvement fund .....	4,815,000
<b>GROSS APPROPRIATION</b> .....	\$ 69,609,900
Appropriated from:	
Special revenue funds:	
Court equity fund .....	50,440,000
Judicial technology improvement fund .....	4,815,000
State general fund/general purpose .....	\$ 14,354,900
<b>Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT</b>	
Drug case-flow program.....	\$ 250,000
Drunk driving case-flow program .....	3,300,000
Juror compensation fund transfer to general fund.....	0
Juror compensation reimbursement .....	6,600,000
<b>GROSS APPROPRIATION</b> .....	\$ 10,150,000
Appropriated from:	
Special revenue funds:	
Drug fund .....	250,000
Drunk driving fund.....	3,300,000
Juror compensation fund .....	7,952,100
State general fund/general purpose .....	\$ (1,352,100)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$243,090,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$122,213,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY

SUPREME COURT

State court administrative office.....	\$ 511,900
Drug treatment courts.....	4,832,900

TRIAL COURT OPERATIONS

Court equity fund reimbursements .....	\$ 64,794,800
Judicial technology improvement fund .....	4,815,000

JUSTICES' AND JUDGES' COMPENSATION

District court judicial salary standardization.....	\$ 11,796,800
Probate court judges' state base salaries.....	9,627,900
Probate court judicial salary standardization.....	4,669,700
Circuit court judicial salary standardization.....	10,105,000
Grant to OASI contribution fund, employers share, social security .....	909,500

GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

Drunk driving case-flow program .....	\$ 3,300,000
Drug case-flow program.....	250,000
Juror compensation reimbursement .....	6,600,000
<b>TOTAL.....</b>	<b>\$ 122,213,500</b>

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

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

Sec. 203. As used in this act:

- (a) "DOJ" means the United States department of justice.
- (b) "DOT" means the United States department of transportation.
- (c) "FTE" means full-time equated.
- (d) "HHS" means the United States department of health and human services.
- (e) "IDG" means interdepartmental grant.
- (f) "OASI" means old age survivor's insurance.

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 208. The reporting requirements of this act shall be completed with the approval of, and at the direction of, the supreme court. The judicial branch shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 212. As a condition of expending appropriations made under part 1, the judicial branch shall receive and retain copies of all reports funded from appropriations in part 1 and shall follow federal and state guidelines for short-term and long-term retention of such reports and records.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

(3) Not later than January 1 of each year, the state court administrative office shall prepare a travel report listing all travel by judicial branch employees outside this state in the immediately preceding fiscal year that was funded in whole

or in part with funds appropriated in the budget for the judicial branch. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 216. (1) The judicial branch shall report no later than April 1, 2010 on each specific policy change made to implement a public act affecting the judicial branch that took effect during the prior calendar year to the house and senate appropriations subcommittees on the judicial branch budget, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 218. The judicial branch shall not approve the travel of more than 1 judicial employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from the judicial branch to attend, or the conference or training seminar includes multiple issues in which 1 employee from the judicial branch does not have expertise.

Sec. 219. Not later than September 30, 2010, the judiciary shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 220. It is the intent of the legislature that the supreme court retain its satellite offices.

Sec. 221. From the funds appropriated in part 1, the judicial branch shall use an amount not to exceed \$10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the judicial branch within a fiscal year. The posting must include the purpose for which each expenditure is made. The judicial branch shall not be required to hire additional employees to comply with this section.

### **JUDICIAL BRANCH**

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

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

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

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

Sec. 304. As a condition of expending appropriations made under part 1, the judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted under section 53 of article IV of the state constitution of 1963.

Sec. 305. As a condition of expending appropriations made under part 1, and to avoid the overexpenditure of funds appropriated under this act, the supreme court shall report quarterly to members of the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director on the status of accounts set forth in part 1. The report required by this section shall include quarterly, year-to-date, and projected expenditures by funding source for each line item, and beginning balances and quarterly, year-to-date, and projected revenues for each source of revenue other than general fund/general purpose revenues.

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

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

Sec. 309. By April 1, 2010, the state court administrative office shall provide an update on the status of the pilot mental health courts to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, with the approval of and at the discretion of the supreme court, the state court administrative office shall evaluate and collect data on the performance of drug treatment court programs. The state court administrative office shall provide an annual review of the performance of drug courts as prescribed in section 1078(6) of the revised judicature act of 1961, 1961 PA 236, MCL 600.1078. All of the following apply to that annual review:

(a) It shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions.

(b) It shall be completed no later than April 1 of each year and shall also be provided to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

(c) The evaluation of a program funded with federal Byrne funds shall be consistent with the requirements contained in the federal Byrne grant for that program.

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

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

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

(4) The judiciary shall receive \$1,800,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of community health to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

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

Sec. 314. The legislature requests that the state court administrative office conduct a survey of trial courts in order to determine best practices for standardized risk assessment and submit a report to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies by April 1. The state court administrative office is encouraged to explore existing tools and established benchmarks that could be utilized in addressing the criminogenic needs of the local community.

Sec. 317. Funds appropriated in part 1 shall not be used for the permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee. This section does not preclude the use of state-owned motor pool vehicles for state business in accordance with approved guidelines.

Sec. 318. (1) The judiciary shall receive \$980,000.00 as an interdepartmental grant from the department of corrections. The funds shall be utilized by the state court administrative office to administer a pilot program to target high-risk offenders through assessment, treatment, and accountability, with the goal of reducing future criminal behavior. All funds shall be spent on fulfilling the requirements of this section and treatment, monitoring, and testing of offenders in the pilot program administered by the state court administrative office.



(2) The pilot program shall adhere to the following criteria:

(a) A minimum of 3 pilot sites shall be selected by the state court administrative office, at least 1 to be located in a major metropolitan area.

(b) The pilot programs shall incorporate the principles and practices of problem-solving courts developed by the national association of drug court professionals, and they shall operate pursuant to a written memorandum of understanding developed by the stakeholders in the jurisdiction.

(c) Each pilot court team shall include, at a minimum, a district and circuit judge, prosecutor, defense lawyer, treatment provider, circuit court probation officer, district court probation officer, community corrections representative, community mental health representative, court administration, and community representative.

(d) Before being enrolled in the pilot program, each participant shall be administered a comprehensive and valid risk and needs assessment. The assessment shall measure criminogenic and psychosocial factors to determine which participants are at significant risk of/for committing further crimes and are in need of services.

(e) The pilot projects shall employ evidence-based practices to develop a treatment plan in response to the assessment results.

(f) Each pilot project shall employ a case manager whose duties shall include referral and linkage to community resources, monitoring treatment plan requirements, data reporting, and other responsibilities as assigned.

(3) The Michigan judicial institute shall provide appropriate training for all personnel involved in the pilot program.

(4) The state court administrative office shall conduct a process and outcome evaluation and a cost-benefit analysis of the pilot programs and shall submit that analysis to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director by September 30, 2010.

Sec. 319. (1) The funds appropriated in part 1 for the juvenile training pilot project shall be used for the purpose of training criminal defense attorneys who accept court-appointed cases concerning juvenile delinquency, abuse, neglect, and protective services. The judiciary shall contract with the state appellate defender office's criminal defense resource center, which provides training to court-assigned criminal defense attorneys at trial and appellate levels.

(2) Training shall include, but not be limited to, identification of potential trainees, collection of information about the services they provide to court-assigned clients, collection of resources for web access, hosting of direct training events, creation of new resources including practice manuals, and creation of a training network.

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

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Alan L. Cropsey  
 Roger Kahn  
 Liz Brater  
 Conferees for the Senate

Rashida Tlaib  
 Terry Brown  
 Tonya Schuitmaker  
 Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
 Senator Cropsey moved that the rule be suspended.

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

The question being on the adoption of the conference report,

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

**Roll Call No. 470**

**Yeas—24**

Allen	Cassis	Jansen	Patterson
Barcia	Cropsey	Jelinek	Richardville
Birkholz	Garcia	Kahn	Sanborn
Bishop	George	Kuipers	Stamas
Brater	Gilbert	McManus	Switalski
Brown	Hardiman	Pappageorge	Van Woerkom

**Nays—13**

Anderson	Clarke	Jacobs	Scott
Basham	Gleason	Olshove	Thomas
Cherry	Hunter	Prusi	Whitmer
Clark-Coleman			

**Excused—0**

**Not Voting—0**

In The Chair: Richardville

Senator Garcia submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 250, entitled**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Recommends:

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

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

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions.....	7.0	
Full-time equated classified positions .....	985.0	
<b>GROSS APPROPRIATION</b> .....		\$ 146,149,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		1,686,500
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 144,463,300
Federal revenues:		
Total federal revenues.....		77,347,300
Special revenue funds:		
Total local revenues .....		1,295,100
Total private revenues.....		1,471,200
Total other state restricted revenues .....		27,924,200
State general fund/general purpose .....		\$ 36,425,500

**Sec. 102. HEADQUARTERS AND ARMORIES**

Full-time equated unclassified positions.....	7.0
Full-time equated classified positions .....	125.0

	For Fiscal Year Ending Sept. 30, 2010
Headquarters and armories—85.0 FTE positions.....	\$ 10,959,700
Unclassified military personnel.....	665,000
Military appeals tribunal .....	900
Michigan emergency volunteers .....	5,000
State active duty .....	100,100
Challenge program—40.0 FTE positions .....	4,737,000
Homeland security .....	1,000,000
Military family relief fund .....	600,000
GROSS APPROPRIATION.....	\$ 18,067,700
Appropriated from:	
IDG, challenge grant .....	262,100
IDG, community health .....	100,000
IDG, state police.....	900,000
IDG, human services .....	424,400
Federal revenues:	
DOD-DOA-NGB .....	5,747,200
Special revenue funds:	
Local-school aid fund.....	1,295,100
Rental fees.....	346,400
Mackinac Bridge authority .....	70,000
Private donations .....	826,800
Military family relief fund .....	600,000
Private-parent pay revenue .....	104,400
State general fund/general purpose .....	\$ 7,391,300
<b>Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES</b>	
Full-time equated classified positions .....	181.0
Military training sites and support facilities—181.0 FTE positions .....	\$ 24,482,600
Military training sites and support facilities test projects .....	100,000
GROSS APPROPRIATION .....	\$ 24,582,600
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	23,139,400
Special revenue funds:	
Test project fees.....	100,000
State general fund/general purpose .....	\$ 1,343,200
<b>Sec. 104. DEPARTMENTWIDE APPROPRIATIONS</b>	
Departmentwide accounts.....	\$ 1,946,500
Special maintenance - state .....	651,200
Special maintenance - federal .....	5,300,000
Military retirement .....	3,407,800
Counter narcotic operations.....	50,000
Starbase grant .....	2,322,000
GROSS APPROPRIATION .....	\$ 13,677,500
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	9,288,100
Federal counternarcotic revenues .....	50,000
State general fund/general purpose .....	\$ 4,339,400
<b>Sec. 105. VETERANS ADVICE, ADVOCACY AND ASSISTANCE</b>	
American legion .....	\$ 339,800
Disabled American veterans .....	280,800
Marine corps league .....	129,000
American veterans of World War II and Korea.....	178,100
Veterans of foreign wars.....	339,800
Michigan paralyzed veterans of America .....	63,500
Purple heart .....	60,500

	For Fiscal Year Ending Sept. 30, 2010
Polish legion of American veterans.....	\$ 15,800
Jewish veterans of America.....	15,800
State of Michigan council - Vietnam veterans of America.....	61,100
Catholic war veterans .....	15,800
Veterans advice, advocacy and assistance grants for 4-1-10 to 9-30-10.....	1,529,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 3,029,600</b>
Appropriated from:	
State general fund/general purpose .....	\$ 3,029,600
<b>Sec. 106. GRAND RAPIDS VETERANS' HOME</b>	
Full-time equated classified positions .....	513.0
Grand Rapids veterans' home—513.0 FTE positions .....	\$ 48,767,300
Board of managers .....	665,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 49,432,300</b>
Appropriated from:	
Federal revenues:	
DVA-VHA .....	15,862,600
HHS, Medicaid .....	157,300
HHS, Medicare .....	2,452,700
Special revenue funds:	
Private - veterans' home post and posthumous funds .....	415,000
Income and assessments .....	15,304,700
Military family relief fund .....	250,000
Lease revenue .....	12,200
State general fund/general purpose .....	\$ 14,977,800
<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME</b>	
Full-time equated classified positions .....	158.0
D.J. Jacobetti veterans' home—158.0 FTE positions .....	\$ 15,656,100
Board of managers .....	275,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 15,931,100</b>
Appropriated from:	
Federal revenues:	
DVA-VHA .....	4,604,400
HHS, Medicare .....	562,400
HHS, Medicaid .....	10,300
Special revenue funds:	
Private - veterans' home post and posthumous funds .....	125,000
Military family relief fund .....	150,000
Income and assessments .....	5,741,100
State general fund/general purpose .....	\$ 4,737,900
<b>Sec. 108. VETERANS' AFFAIRS DIRECTORATE</b>	
Full-time equated classified positions .....	8.0
Veterans' affairs directorate administration—2.0 FTE positions .....	\$ 276,700
Veterans' trust fund administration—6.0 FTE positions .....	1,251,500
Veterans' trust fund grants .....	3,746,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 5,274,700</b>
Appropriated from:	
Special revenue funds:	
Michigan veterans' trust fund.....	4,998,000
State general fund/general purpose .....	\$ 276,700
<b>Sec. 109. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 1,154,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,154,300</b>
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	123,900
DVA-VHA .....	339,000
HHS, Medicare .....	10,000

	For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:	
Income and assessments .....	\$ 351,800
State general fund/general purpose .....	\$ 329,600
<b>Sec. 110. CAPITAL OUTLAY</b>	
Special maintenance, remodeling and additions.....	\$ 15,000,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 15,000,000</b>
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	15,000,000
Special revenue funds:	
State general fund/general purpose .....	\$ 0

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$64,349,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

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

Payments in lieu of taxes .....	\$ 70,000
<b>MICHIGAN VETERANS' TRUST FUND</b>	
County counselor education and training expenses.....	\$ 50,000
<b>TOTAL .....</b>	<b>\$ 120,000</b>

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

Sec. 203. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (e) "DVA" means the United States department of veterans' affairs.
- (f) "DVA-VHA" means the DVA veterans' health administration.
- (g) "FTE" means full-time equated.
- (h) "HHS" means the United States department of health and human services.
- (i) "IDG" means interdepartmental grant.
- (j) "Large veterans service organization" means a VSO that can certify that its membership exceeds 30,000 individuals.
- (k) "Medium veterans service organization" means a VSO that can certify that its membership is between 2,500 and 30,000 individuals.
- (l) "Small veterans service organization" means a VSO that can certify that its membership is between 1,000 and 2,499 individuals.
- (m) "VSO" means veterans service organization.

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

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

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

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

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

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

Sec. 211. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

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

Sec. 214. It is the intent of the legislature that, should the necessary legislation be enacted and funding become available, funds be appropriated for state military cemeteries in Crawford and Dickinson counties.

Sec. 221. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 223. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 225. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 226. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 227. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

Sec. 228. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 232. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 233. Not later than September 30, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 234. Any fiscal year 2009-2010 unused general fund/general purpose funds identified by the department of military and veterans affairs as lapsed funds shall be transferred to the appropriation for special maintenance-state in part 1 and shall be used for the repair and maintenance of state-owned armories.

Sec. 235. The department of military and veterans affairs shall seek partnerships with United States armed forces reserve units for the colocation of activities, including sharing in the acquisition and costs for facilities.

#### **HEADQUARTERS AND ARMORIES**

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

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

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

(3) The department shall take steps to recruit candidates to the challenge program from economically disadvantaged areas, including those with low-income and high-unemployment backgrounds.

Sec. 304. The department will partner with the department of human services to identify youth who may be eligible for the challenge program from those youth served by department of human services programs. These eligible youth shall be given priority for enrollment in the program.

#### **VETERANS ADVICE, ADVOCACY, AND ASSISTANCE**

Sec. 501. (1) The department shall develop and operate a program which will provide benefits counseling and representation to veterans of this state for the purpose of assisting veterans to obtain United States department of veterans affairs health, financial, and memorial benefits for which they are eligible. The department shall work to maximize the coordination between veterans service organizations and any other organization which assists veterans.

(2) The department shall create a 5-member veterans' advisory board to assist in matters pertaining to veterans advice, advocacy, and assistance, including recommendations concerning disbursement of any grant money. The department shall request that the state commanders group name candidates serving as president/commander from 2 large veterans service organizations, 2 medium veterans service organizations, and 1 small veterans service organization to serve on the advisory board. The veterans advisory board shall meet no less than twice a year, without reimbursement by the department.

(3) The duties of the veterans advisory board shall include, but are not limited to, the following:

- (a) Serving as a liaison between grant recipients, the department, and the legislature.
- (b) Assisting in recognizing any deficiencies in the grant process and performance.
- (c) Providing a forum regarding veterans issues.
- (d) Suggesting changes in department programs that would help keep pace with changing veterans needs.
- (e) Providing a direct contact with the veterans administration regarding updates on procedures.
- (f) Creating an awareness to make sure that grant recipients are performing the services intended.

- (g) Representing a voice for veterans service organizations.
- (h) Providing for a sounding board for grant recipients.
- (i) Assisting the department in establishing criteria for grant awards.
- (j) Assisting the department in developing plans, reviewing service delivery, and identifying goals to better assist veterans in applying for and receiving benefits from the federal, state, and local governments.

(k) Providing testimony, if requested, to legislative committees.

(4) The funds appropriated in part 1 for veterans advice, advocacy, and assistance shall be distributed to the following organizations in the amounts listed for the period of October 1, 2009 through March 31, 2010: American legion, \$339,800.00; disabled American veterans, \$280,800.00; marine corps league, \$129,000.00; American veterans of World War II and Korea, \$178,100.00; veterans of foreign wars, \$339,800.00; Michigan paralyzed veterans of America, \$63,500.00; purple heart, \$60,500.00; Polish legion of American veterans, \$15,800.00; Jewish veterans of America, \$15,800.00; state of Michigan council - Vietnam veterans of America, \$61,100.00; and Catholic war veterans, \$15,800.00.

(5) Of the appropriations in part 1 for veterans advice, advocacy, and assistance grants for the period of April 1, 2010 to September 30, 2010, \$1,529,600.00 shall be distributed by the department in the form of 5 grants: 2 large, 2 small, and 1 specialized grant for the 6-month period beginning April 1, 2010. The specialized grant shall be awarded to a group specializing in advocacy for paralyzed veterans. The department, while utilizing advice provided by the veterans advisory board establishing grant criteria, is solely responsible for determination of the amounts and recipients of these grants.

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

(7) To receive a grant from the money appropriated in part 1, a veterans service organization or a veterans service organization which is part of a combination of organizations receiving a grant shall meet the following eligibility requirements:

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

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

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

(d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3). Each veterans service organization receiving a grant from the money appropriated in part 1 shall provide a copy of the most recent audit report to the department not later than May 1, 2010.

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

(8) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2009 to the department by January 31, 2010. Each organization shall include a listing of expenditures by spending category, including a listing of individual salaries of each officer and administrative staff. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2009. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this act. The department shall provide a report not later than June 1, 2010 to the senate and house fiscal agencies, the senate and house appropriations subcommittees on state police and military and veterans affairs, and the state budget office detailing the most recent expenditure information provided by the veterans service organizations. The department shall also provide within that report specific notification whether any veterans service organization receiving a grant from the money appropriated in part 1 failed to comply with the reporting requirements of this section.

(9) The veterans service directors committee and the department shall take steps to improve the coordination of veterans benefits counseling in the state to maximize the effective and efficient use of taxpayer dollars in this goal and to ensure that every veteran is served.

(10) To accomplish the goal of subsection (9), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and



representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

(a) Increase the veterans service directors committee and the department's role in working directly with the United States department of veterans' affairs to enhance the delivery of services to Michigan veterans.

(b) Increase the number of initial claims filed with the United States department of veterans' affairs on behalf of veterans for service-connected disability or pension benefits. The veterans service directors committee and the department may work toward either an absolute increase of approved claims or an increase in the percentage of Michigan veterans with approved claims.

(c) Develop methods to increase rates of recovery paid by the United States department of veterans' affairs to Michigan veterans either by an increase in compensation paid per approved claim or an increase in compensation paid on a per capita basis.

(d) Expand training opportunities for veterans service organization service officers.

(e) Increase either the number or percentage of Michigan veterans enrolled in the veterans affairs health care system.

(f) Publicize the availability, benefit, and value of burial in the Fort Custer and Great Lakes national cemeteries.

(g) Review each grant recipient's performance under the program and require that performance be a major consideration in the future funding of each grant recipient.

(h) Identify areas of redundancy which may exist among services provided by veterans service organizations grantees, Michigan veterans trust fund county committees, and county veterans counselors and provide a proposal on how any redundancies may be minimized and identify specific cost savings which could result.

(11) Each veterans service organization receiving a grant from the money appropriated in part 1 shall file a report with the department not later than May 1, 2010 detailing the following information:

(a) Training completed by each veterans service officer employed by or working on behalf of the veterans service organization.

(b) A report of the cases that each veterans service organization is serving or processing, including if those cases have been completed or are still pending, whether those cases have been initiated and completed by the veterans service organization, and which cases have been referred to and by county veterans counselors, congressional or senate offices, or any other organizations that serve veterans.

(12) The veterans advisory board, the Michigan association of county veterans counselors, and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans benefit counseling program may best be designed for implementation for fiscal year 2010-2011. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2010.

(13) The department shall record any additional administrative costs for collecting and compiling the information from subsections (8) and (11) and also provide this information with the reports required under subsection (8).

(14) The veterans affairs directorate shall design and operate an advocacy program to coordinate with other organizations which assist veterans, including county counselors and other groups, to ensure referrals between groups occur when warranted and to provide the veterans of the state with the most cost-effective and comprehensive counseling services possible. The department shall also take steps to become certified with the United States department of veterans affairs to assist in this task.

(15) The veterans affairs directorate shall deliver progress reports regarding the activities of the advocacy program to the senate and house appropriations subcommittees on state police and military and veterans affairs, with the first report due not later than April 1, 2010 and the second report due not later than October 1, 2010.

(16) The department shall issue performance standards to each veterans service organization grant recipient. It is the intent of the legislature that compliance with these performance standards shall be the basis for funding for future years. Failure to meet any or all of the performance standards may result in that organization losing funding in future years, and the department shall forward to the senate and house of representatives appropriations subcommittees on state police and military and veterans affairs corrective action and penalty recommendations.

#### **VETERANS' HOMES**

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

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2010.

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

Sec. 605. The department shall, prior to altering the spending plan by the board of managers of post and posthumous funds, report to the appropriate senate and house appropriations subcommittees 30 days prior to that action and shall indicate the rationale for that decision.

Sec. 606. The department shall conduct a feasibility study to determine at least 3 means by which to increase operational efficiencies at the Grand Rapids veterans' home. The department shall submit this study to the senate and house of representatives appropriations committees no later than April 1, 2010.

#### **VETERANS' AFFAIRS DIRECTORATE**

Sec. 703. By April 1, 2010, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2008-2009. The report shall include information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs and restore the Michigan veterans' trust fund corpus to its original amount of \$50,000,000.00.

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

Sec. 705. It is the intent of the legislature that the department create incentives for all counties in the state to fund at least 1 full-time county veteran's counselor for the purpose of assisting veterans with obtaining federal veterans benefits that they may be eligible to receive. The incentives could include, but not be limited to, matching funds or sharing IT resources from the department for counties to use in maximizing benefits received by Michigan veterans.

#### **CAPITAL OUTLAY**

Sec. 801. The appropriations in part 1 for the department of military and veterans affairs design and construction projects are contingent upon the availability of federal and state restricted funds for financing.

Sec. 802. (1) The director shall allocate lump-sum appropriations made in this bill consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 803. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

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

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Valde Garcia  
Alan L. Cropsey  
Jim Barcia  
Conferees for the Senate

Richard LeBlanc  
John Espinoza  
Bob Genetski  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

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

The question being on the adoption of the conference report,

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

#### **Roll Call No. 471**

#### **Yeas—24**

Allen  
Barcia

Cherry  
Cropsey

Jansen  
Jelinek

Patterson  
Richardville

Birkholz	Garcia	Kahn	Sanborn
Bishop	George	Kuipers	Stamas
Brown	Gilbert	McManus	Switalski
Cassis	Hardiman	Pappageorge	Van Woerkom

**Nays—13**

Anderson	Clarke	Jacobs	Scott
Basham	Gleason	Olshove	Thomas
Brater	Hunter	Prusi	Whitmer
Clark-Coleman			

**Excused—0**

**Not Voting—0**

In The Chair: Richardville

Senator Jansen submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 243, entitled**

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. The amounts listed in this part are appropriated for the department of energy, labor, and economic growth, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2010, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	58.5	
Full-time equated classified positions .....	4,680.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 1,424,391,200</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		29,465,100
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 1,394,926,100</b>
Federal revenues:		
Total federal revenues.....		918,286,200

	For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:	
Total local revenues .....	\$ 15,921,000
Total private revenues .....	5,314,300
Total other state restricted revenues .....	400,261,500
State general fund/general purpose .....	\$ 55,143,100
<b>Sec. 102. DEPARTMENTAL ADMINISTRATION</b>	
Full-time equated unclassified positions.....	58.5
Full-time equated classified positions .....	153.0
Unclassified salaries .....	\$ 4,590,200
Executive director programs—49.0 FTE positions.....	5,852,700
Regulatory efficiency improvements/backlog reduction initiative.....	475,600
Property management .....	11,694,600
Rent .....	15,199,300
Worker’s compensation.....	844,600
Special project advances.....	940,000
Administrative services—104.0 FTE positions .....	10,923,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 50,520,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health.....	300,000
Federal revenues:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	4,688,900
DOL-ETA, unemployment insurance .....	11,220,300
DOL-ETA, workforce investment act.....	830,500
DOL, federal funds.....	1,999,100
DOL, multiple grants for safety and health .....	753,900
Federal revenues .....	511,600
HHS, temporary assistance for needy families .....	333,400
HHS, titles XVIII and XIX .....	43,000
Special revenue funds:	
Private - special project advances .....	940,000
Local revenues.....	131,300
Bank fees .....	387,200
Boiler fee revenue .....	249,800
Construction code fund .....	1,088,100
Consumer finance fees .....	116,200
Contingent fund, penalty and interest account.....	842,500
Corporation fees .....	4,499,800
Credit union fees .....	267,900
Deferred presentment service transaction fees .....	2,900
Elevator fees .....	264,000
Fees and collections/asbestos .....	100,200
Fire service fees .....	748,700
Insurance continuing education fees .....	28,000
Insurance licensing and regulation fees.....	1,521,700
Insurance bureau fund.....	828,200
Licensing and regulation fees.....	794,200
Liquor license revenue .....	100,000
Liquor purchase revolving fund .....	4,492,200
MBLSLA fund.....	116,400
Mobile home code fund.....	257,700
Michigan state housing development authority fees and charges .....	3,999,200
Motor carrier fees.....	206,400
Public utility assessments.....	2,170,300
Private occupational school license fees .....	14,000
Retired engineers technical assistance program fund.....	343,000
Safety education and training fund .....	601,100

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Second injury fund .....	\$ 261,800
Securities fees.....	2,392,600
Self-insurers security fund.....	92,100
Silicosis and dust disease fund.....	114,800
Tax tribunal fund.....	177,600
State general fund/general purpose .....	\$ 1,689,700
<b>Sec. 103. OFFICE OF FINANCIAL AND INSURANCE REGULATION</b>	
Full-time equated classified positions .....	349.0
Administration—35.0 FTE positions.....	\$ 7,007,800
Regulatory compliance and consumer assistance—99.0 FTE positions.....	15,743,400
Financial evaluation—215.0 FTE positions .....	30,952,200
GROSS APPROPRIATION.....	\$ 53,703,400
Appropriated from:	
Federal revenues:	
Federal regulatory project revenue .....	50,400
Special revenue funds:	
Bank fees.....	7,997,700
Captive insurance regulatory and supervision fund .....	236,900
Consumer finance fees .....	4,264,500
Credit union fees .....	5,886,000
Deferred presentment service transaction fees.....	2,161,700
Insurance bureau fund.....	19,526,500
Insurance continuing education fees .....	974,200
Insurance licensing and regulation fees.....	4,519,200
MBLSLA fund.....	4,793,400
Multiple employer welfare arrangement .....	73,700
Securities fees.....	3,219,200
State general fund/general purpose .....	\$ 0
<b>Sec. 104. PUBLIC SERVICE COMMISSION AND ENERGY SYSTEMS</b>	
Full-time equated classified positions .....	209.0
Public service commission—186.0 FTE positions .....	\$ 25,291,900
Bureau of energy systems—18.0 FTE positions .....	6,972,200
Metro authority—5.0 FTE positions .....	325,000
GROSS APPROPRIATION.....	\$ 32,589,100
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	4,688,100
DOT-RSPA, gas pipeline safety.....	430,000
Special revenue funds:	
Private - oil overcharge .....	30,000
Children’s protection registry fund.....	272,600
Motor carrier fees.....	1,689,100
Public utility assessments.....	23,474,300
Retired engineers technical assistance program fund.....	1,605,000
Video franchise assessments.....	400,000
State general fund/general purpose .....	\$ 0
<b>Sec. 105. LIQUOR CONTROL COMMISSION</b>	
Full-time equated classified positions .....	152.0
Management support services—28.0 FTE positions .....	\$ 3,570,800
Liquor licensing and enforcement—124.0 FTE positions.....	12,609,200
GROSS APPROPRIATION.....	\$ 16,180,000
Appropriated from:	
Special revenue funds:	
Direct shipper enhancement revolving fund.....	120,000
Liquor license revenue .....	6,526,500
Liquor purchase revolving fund .....	9,533,500
State general fund/general purpose .....	\$ 0

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**Sec. 106. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

Full-time equated classified positions .....	289.0	
Payments on behalf of tenants.....		\$ 156,000,000
Housing and rental assistance program—266.0 FTE positions.....		37,997,700
Michigan housing and community development fund.....		59,000
State historic preservation programs—22.0 FTE positions .....		2,079,000
Lighthouse preservation program—1.0 FTE position .....		251,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 196,386,700</b>
Appropriated from:		
Federal revenues:		
DOI-NPS, historic preservation grants-in-aid .....		950,000
HUD, lower income housing assistance program .....		156,000,000
Special revenue funds:		
Michigan lighthouse preservation fund .....		251,000
Michigan state housing development authority fees and charges .....		39,126,700
State general fund/general purpose .....		\$ 59,000

**Sec. 107. OCCUPATIONAL REGULATION**

Full-time equated classified positions .....	435.0	
Boiler inspection program—25.0 FTE positions.....		\$ 2,803,800
Bureau of fire services—57.0 FTE positions .....		6,052,700
Code enforcement—120.0 FTE positions .....		13,373,900
Commercial services—170.0 FTE positions .....		19,662,600
Elevator inspection program—30.0 FTE positions .....		2,984,500
Local manufactured housing communities inspections .....		250,000
Manufactured housing and land resources program—22.0 FTE positions .....		3,248,900
Property development group—11.0 FTE positions .....		1,599,500
<b>GROSS APPROPRIATION .....</b>		<b>\$ 49,975,900</b>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health, inspection contract.....		100,000
IDG from department of state police, homeland security .....		709,800
Federal revenues:		
DOT .....		60,000
FEMA .....		28,000
HHS, titles XVIII and XIX .....		700,000
Special revenue funds:		
Accountancy enforcement fund.....		403,600
Boiler fee revenue .....		3,216,100
Builder enforcement fund.....		400,000
Construction code fund .....		13,247,600
Corporation fees .....		5,957,700
Elevator fees .....		3,368,500
Fire alarm fees.....		101,700
Fire service fees .....		1,753,200
Homeowner construction lien recovery fund.....		1,846,500
Land sales fees .....		40,000
Licensing and regulation fees.....		10,569,500
Mobile home code fund.....		2,828,900
Property development fees .....		288,300
Real estate appraiser continuing education fund.....		47,000
Real estate education fund .....		272,100
Real estate enforcement fund .....		350,000
Survey and remonumentation fund.....		723,100
Security business fund.....		314,600
Unarmed combat fund .....		49,700
State general fund/general purpose .....		\$ 2,600,000

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<b>Sec. 108. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION</b>	
Full-time equated classified positions .....	229.0
Occupational safety and health—229.0 FTE positions .....	\$ 26,805,500
<b>GROSS APPROPRIATION</b> .....	\$ 26,805,500
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	12,487,100
Special revenue funds:	
Corporation fees .....	3,539,500
Fees and collections/asbestos .....	865,900
Safety education and training fund .....	8,035,000
Securities fees.....	1,878,000
State general fund/general purpose .....	\$ 0
<b>Sec. 109. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION</b>	
Full-time equated classified positions .....	1,551.0
Administration—96.6 FTE positions.....	\$ 9,349,600
Board of magistrates and appellate commission—19.4 FTE positions .....	2,870,100
Wage and hour division—35.0 FTE positions.....	3,167,000
Insurance funds administration—28.0 FTE positions .....	4,692,600
Supplemental benefit fund.....	820,000
Unemployment programs—1,302.7 FTE positions .....	129,322,100
Advocacy assistance program.....	1,500,000
Special audit and collections program—34.0 FTE positions .....	2,912,700
Training program for agency staff—2.1 FTE positions .....	1,813,500
Expanded fraud control program—33.2 FTE positions .....	3,314,400
<b>GROSS APPROPRIATION</b> .....	\$ 159,762,000
Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration .....	711,700
DOL-ETA, unemployment insurance .....	119,098,800
Federal Reed act funds.....	4,494,500
Special revenue funds:	
Corporation fees .....	3,247,100
Contingent fund, regular penalty and interest account.....	14,557,700
Second injury fund .....	2,526,200
Securities fees.....	2,438,600
Self-insurers security fund.....	1,194,500
Silicosis and dust disease fund.....	971,900
Worker's compensation administrative revolving fund .....	2,697,000
State general fund/general purpose .....	\$ 7,824,000
<b>Sec. 110. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES</b>	
Full-time equated classified positions .....	178.0
Administrative hearings and rules—178.0 FTE positions.....	\$ 24,680,900
<b>GROSS APPROPRIATION</b> .....	\$ 24,680,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health.....	1,753,600
IDG from department of corrections .....	3,897,600
IDG from department of education .....	1,119,300
IDG from department of environmental quality.....	537,200
IDG from department of human services.....	5,559,300
IDG from department of management and budget.....	43,300
Federal revenues:	
DOL-ETA, unemployment insurance .....	6,910,500
DOL, multiple grants for safety and health .....	208,500

	For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:	
Construction code fund .....	\$ 301,300
Corporation fees .....	385,800
Insurance bureau fund .....	357,200
Licensing and regulation fees .....	832,000
Liquor purchase revolving fund .....	123,200
Mobile home code fund.....	147,500
Public utility assessments .....	1,309,600
Safety education and training fund .....	201,300
Securities fees.....	914,400
Tax tribunal fund .....	79,300
State general fund/general purpose .....	\$ 0
<b>Sec. 111. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 44,907,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 44,907,200</b>
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance .....	21,538,900
DOL, multiple grants for safety and health .....	273,700
Federal revenues .....	6,173,500
HHS, temporary assistance for needy families .....	176,300
Special revenue funds:	
Bank fees .....	304,500
Boiler fee revenue .....	340,500
Construction code fund .....	957,300
Consumer finance fees .....	144,100
Corporation fees .....	2,721,400
Credit union fees .....	211,100
Deferred presentment service transaction fees .....	5,700
Elevator fees .....	271,300
Fees and collections/asbestos .....	11,000
Fire service fees .....	623,500
Insurance continuing education fees .....	56,700
Insurance bureau fund .....	893,500
Land bank fast track fund .....	157,500
Licensing and regulation fees .....	1,050,100
Liquor purchase revolving fund .....	2,490,500
MBLSLA fund.....	144,200
Mobile home code fund.....	82,600
Michigan state housing development authority fees and charges .....	3,125,200
Motor carrier fees .....	120,800
Public utility assessments .....	937,000
Retired engineers technical assistance program fund.....	23,200
Safety education and training fund .....	544,300
Second injury fund .....	158,600
Securities fees.....	1,133,500
Self-insurers security fund.....	71,500
Silicosis and dust disease fund.....	61,500
State general fund/general purpose .....	\$ 103,700
<b>Sec. 112. WORKFORCE DEVELOPMENT</b>	
Full-time equated classified positions .....	929.5
Employment services—246.0 FTE positions .....	\$ 48,918,200
Jobs, education and training program—57.0 FTE positions .....	15,445,000
Labor market information—52.0 FTE positions .....	6,449,500
Michigan rehabilitation services—513.5 FTE positions .....	70,817,100
Workforce programs administration—61.0 FTE positions .....	12,858,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 154,488,100</b>



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Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of human services .....	\$ 15,445,000
Federal revenues:	
DAG, employment and training .....	178,700
DED-OPSE, multiple grants .....	1,222,900
DED-OSERS, centers for independent living .....	58,200
DED-OSERS, rehabilitation long-term training .....	316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	54,315,700
DED-OSERS, state grants for technical-related assistance .....	59,200
DOL-ETA, workforce investment act .....	7,655,700
DOL, federal funds .....	48,882,200
HHS-SSA, supplemental security income .....	3,770,800
HHS, temporary assistance for needy families .....	3,371,600
Special revenue funds:	
Private - gifts, bequests, and donations .....	816,000
Local revenue .....	4,305,900
Local vocational rehabilitation match .....	2,684,500
Contingent fund, penalty and interest account .....	1,853,100
Rehabilitation services fees .....	1,350,300
Second injury fund .....	51,500
State general fund/general purpose .....	\$ 8,149,900
<b>Sec. 113. CAREER EDUCATION PROGRAMS</b>	
Full-time equated classified positions .....	30.0
Postsecondary education—14.0 FTE positions .....	\$ 2,964,400
Adult education—16.0 FTE positions .....	2,534,400
GROSS APPROPRIATION .....	\$ 5,498,800
Appropriated from:	
Federal revenues:	
Federal revenues .....	3,867,500
Special revenue funds:	
Private occupational school license fees .....	648,500
Defaulted loan collection fees .....	100,000
State general fund/general purpose .....	\$ 882,800
<b>Sec. 114. DEPARTMENT GRANTS</b>	
Adult basic education .....	\$ 20,000,000
Agriculture economic development .....	300,000
Carl D. Perkins grants .....	19,000,000
Gear-up program grants .....	3,000,000
Workforce training programs subgrantees .....	244,528,600
Personal assistance services .....	459,500
Vocational rehabilitation client services/facilities .....	55,919,000
Vocational rehabilitation independent living .....	3,329,700
Welfare-to-work programs .....	107,333,600
Fire protection grants .....	10,910,500
Low-income energy efficiency assistance .....	90,000,000
Liquor law enforcement grants .....	6,600,000
Re monumentation grants .....	5,300,000
Michigan nursing corps .....	300,000
Private grant programs .....	3,000,000
Subregional libraries state aid .....	451,800
GROSS APPROPRIATION .....	\$ 570,432,700
Appropriated from:	
Federal revenues:	
DAG, employment and training .....	7,000,000
DED-OESE, gear-up .....	3,000,000
DED-OSERS, centers for independent living .....	450,200

	For Fiscal Year Ending Sept. 30, 2010
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	\$ 35,797,900
DED-OSERS, rehabilitation services facilities .....	2,272,500
DED-OSERS, supported employment .....	1,541,300
DED-OSERS, state grants for technical-related assistance .....	2,240,800
DED-OVAE, adult education .....	20,000,000
DED-OVAE, basic grants to states .....	19,000,000
DOL-ETA, workforce investment act .....	225,602,700
DOL, federal funds .....	24,425,900
HHS, temporary assistance for needy families .....	72,299,000
HHS-SSA, supplemental security income .....	3,480,600
Special revenue funds:	
Private - gifts, bequests, and donations .....	400,000
Private revenues .....	3,000,000
Local vocational rehabilitation match .....	7,000,000
Local vocational rehabilitation facilities match .....	1,278,300
Contingent fund, penalty and interest account .....	1,000,000
Low-income energy efficiency fund .....	90,000,000
Fire protection fund .....	8,500,000
Liquor purchase revolving fund .....	2,410,500
Liquor license revenue .....	6,600,000
Survey and remonumentation fund .....	5,300,000
State general fund/general purpose .....	\$ 27,833,000

**Sec. 115. BOARDS, AUTHORITIES AND COMMISSIONS**

Full-time equated classified positions .....	176.0	
MES board of review program—18.0 FTE positions .....		\$ 2,445,400
Land bank fast-track authority—6.0 FTE positions .....		1,834,400
Commission on Spanish-speaking affairs—2.0 FTE positions .....		259,500
Commission on disability concerns—7.0 FTE positions .....		1,157,000
Commission for the blind—107.0 FTE positions .....		25,287,000
Utility consumer representation .....		950,000
Youth low-vision program .....		241,800
Tax tribunal operations—15.0 FTE positions .....		2,790,000
Employment and labor relations—21.0 FTE positions .....		3,495,500
<b>GROSS APPROPRIATION .....</b>		<b>\$ 38,460,600</b>

Appropriated from:

Federal revenues:

Federal revenues .....	19,659,800
DOL-ETA, unemployment insurance .....	2,445,400
EEOC, federal funds .....	10,000

Special revenue funds:

Private revenues .....	128,300
Local revenues .....	521,000
Land bank fast-track fund .....	1,834,400
Securities fees .....	3,485,500
State restricted revenues .....	635,200
Tax tribunal fund .....	2,790,000
Utility consumer representation fund .....	950,000
State general fund/general purpose .....	\$ 6,001,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$455,404,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$43,575,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH

Fire protection grants .....	\$ 10,910,500
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Liquor law enforcement .....	\$ 6,600,000
Local manufactured housing inspections.....	250,000
Remonumentation grants .....	5,300,000
Fire fighters training council .....	1,628,700
Welfare to work.....	18,434,600
Subregional state aid .....	451,800
Total department of energy, labor, and economic growth .....	\$ 43,575,600

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

Sec. 203. As used in this act:

- (a) “DAG” means the United States department of agriculture.
- (b) “DED” means the United States department of education.
- (c) “DED-OESE” means the DED office of elementary and secondary education.
- (d) “DED-OPSE” means the DED office of postsecondary education.
- (e) “DED-OSERS” means the DED office of special education rehabilitation services.
- (f) “DED-OVAE” means the DED office of vocational and adult education.
- (g) “Department” means the department of energy, labor, and economic growth.
- (h) “Director” means the director of the department of energy, labor, and economic growth.
- (i) “DOE” means the United States department of energy.
- (j) “DOE-OEERE” means the DOE office of energy efficiency and renewable energy.
- (k) “DOI-NPS” means the United States department of interior, national park service.
- (l) “DOL” means the United States department of labor.
- (m) “DOL-ETA” means the DOL employment and training administration.
- (n) “DOL-ODEP” means the DOL office of disability employment policy.
- (o) “DOT” means the United States department of transportation.
- (p) “DOT-RSPA” means the DOT research and special programs administration.
- (q) “EEOC” means equal employment opportunity commission.
- (r) “FEMA” means federal emergency management agency.
- (s) “Fiscal agencies” means Michigan house fiscal agency and Michigan senate fiscal agency.
- (t) “FTE” means full-time equated.
- (u) “HHS” means the United States department of health and human services.
- (v) “HHS-SSA” means HHS social security administration.
- (w) “HUD” means the United States department of housing and urban development.
- (x) “IDG” means interdepartmental grant.
- (y) “MARVIN” means Michigan’s automated response voice interactive network.
- (z) “MBLSLA” means mortgage brokers, lenders, and servicers licensing act.
- (aa) “MES” means Michigan employment security.
- (bb) “METRO” means metropolitan extension telecommunications rights-of-way oversight.
- (cc) “MIOSHA” means Michigan occupational safety and health administration.
- (dd) “MSHDA” means Michigan state housing development authority.
- (ee) “SOAHR” means the state office of administrative hearings and rules.
- (ff) “Subcommittees” means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

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

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

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

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

Sec. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity and diversity council which was created by Executive Order No. 2008-22 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 215. (1) The department shall report no later than April 1, 2010 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 216. It is the intent of the legislature that all revenue sources for funds appropriated in part 1 shall not be aggregated into general categories and shall be specifically identified and detailed as much as possible.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 222. The department shall review the determinations of the legislative commission on governmental efficiency for applicability to the operations of the department and the estimated costs and benefits of implementing the recommendations.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$31,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$26,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$600,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 224. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

Sec. 225. Within 10 days after the receipt of a grant appropriated in the private grant funded projects line item in part 1, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

Sec. 226. Not later than October 15, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the fiscal agencies.

Sec. 227. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 230. From the funds appropriated in part 1, the department shall use an amount not to exceed \$10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the department within a fiscal year. The posting shall include the purpose for which each expenditure is made. The department is not required to hire additional employees in order to comply with this section.

#### **REGULATORY**

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund and the fire protection fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Sec. 301a. Cities, villages, and townships receiving fire protection grant funds in accordance with 1977 PA 289, MCL 141.951 to 141.956, shall submit a report to the department detailing the expenditures made by the local unit from

fire protection grant funds, the fire-related activities of the local unit’s police and fire departments on state property, and the costs of such activities. The local unit shall provide a report no later than January 1, 2010, covering the state fiscal years ending September 30, 2008 and September 30, 2009, and a report no later than January 1, 2011 covering the state fiscal year ending September 30, 2010.

Sec. 302. Money appropriated under this act for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

	<u>Operation and maintenance inspection fee</u>	
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>		<u>Fee</u>
\$101,000.00 or less		minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00		\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00		\$1.30 per \$1,000.00
\$10,000,001.00 or more		\$1.10 per \$1,000.00
		or a maximum fee of \$60,000.00.

Sec. 302a. The bureau of fire services shall work with the fire safety board and interested stakeholders to recommend to the governor and the legislature a schedule of fees to be charged by the bureau for acts and services performed by the bureau, including, but not limited to, inspections, review of plans and specifications, issuance of certificates of acceptability, testing and evaluation of new products, methods, and processes of construction or alteration, inspection of construction and alteration, inspection of construction undertaken pursuant to a permit, the issuance of certificates of use and occupancy, and the hearing of appeals. The fee schedule proposed by the bureau shall bear a direct relationship to the cost of the service or act, including overhead expenses. The bureau shall submit a report to the state budget office, the fiscal agencies, and the subcommittees detailing the recommended fee schedule no later than January 15, 2010. The report shall also recommend the necessary statutory and administrative rule changes necessary to implement the recommended fee schedule.

Sec. 303. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget director and the subcommittees on the amount of funds available under this section.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget director and the subcommittees that states the amount of revenue received from the sale of information.

Sec. 320. If the revenue collected by the department from licensing and regulation fees collected by the office of commercial services exceeds the amount expended from appropriations in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 321. The department may resume printing the real estate law and rules book (red book). The red book shall include, but is not limited to, real estate laws and regulations and related statutes. The red book will be provided at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Any other party seeking a copy of the red book may purchase the book from the bureau of commercial services at the bureau’s cost to produce the book or may print the bureau’s Internet version of the red book at no cost.

Sec. 322. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through online courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish online courses that would be made available to students throughout the year.

Sec. 323. Of the funds appropriated in part 1 for the department, up to \$200,000.00 may be used for administration and enforcement of unarmed combat regulation in Michigan.

Sec. 330. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs.

These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 332. No later than October 1, 2009, the department shall complete the request for proposal process for the modernization of the unemployment insurance computer system and be in the process of awarding and approving the contract for computer system modernization.

Sec. 333. The department shall report quarterly to the members of the house and senate committees on appropriations, the fiscal agencies, and the state budget director on the percentage of unemployment claimants that meet the certification requirements for receiving benefits by using the internet MARVIN system. The department shall implement improvements to the internet MARVIN system that promote greater ease of access and security with a goal of reaching 50% of users certifying by using the internet MARVIN system by July 1, 2010.

Sec. 340. MIOSHA shall provide an annual report by February 1 of each year to the state budget director, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 341. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1, 2010 and September 1, 2010, the department shall provide a report to the fiscal agencies and subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

(3) The directions in this section are given in accordance with OAG, 2009, No. 7,225 (February 27, 2009).

Sec. 342. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than \$40,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan.

Sec. 350. In addition to the funds appropriated in part 1, funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 351. It is the intent of the legislature that the SOAHR work with the center for civil justice to implement and maintain a system of public access to Medicaid, cash, emergency, and food assistance decisions and orders via the Internet.

Sec. 352. The department shall report by October 31, 2010, regarding the teacher tenure cases considered by the SOAHR. The department shall report the number of cases that have been filed and are waiting final disposition as of September 30, 2009 and September 30, 2010.

Sec. 360. The video franchise assessment fund is created within the state treasury and shall receive revenue as provided in the uniform video services local franchise act, 2006 PA 480, MCL 484.3301 to 484.3314. All interest and earnings of the fund may be retained by the fund per the direction of the state treasurer. Money in the fund at the close of the fiscal year may carry forward to the new fiscal year and be used as the first source of funds in the subsequent fiscal year.

Sec. 361. (1) The public service commission shall implement a process for the low-income energy efficiency fund grants that shall require an application deadline of May 1 and the award announcements on October 1 of each year.

(2) The public service commission shall report by November 1, 2009 to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

Sec. 364. The appropriation in part 1 for agriculture economic development is for an interdepartmental grant to the Michigan department of agriculture to foster and promote growth in the food and agriculture sector. By September 30, 2010, the department and the department of agriculture shall report to the subcommittees, the fiscal agencies, and the state budget director on the use of these funds and how the funds facilitated further growth in the food and agriculture sector.

Sec. 366. It is the intent of the legislature that the metropolitan extension telecommunications rights-of-way oversight authority established in section 3 of the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3103, be transferred to, and organized within, the public service commission.

Sec. 368. No later than March 1, 2010, the department shall submit a report to the state budget office, the fiscal agencies, and the subcommittees, providing expenditure and revenue data and statistical data on licensing and regulatory activities of the bureau of commercial services and the bureau of construction codes during the fiscal years ending September 30, 2008 and September 30, 2009. To the extent possible, the data required shall be reported for each individual occupation, trade, or industry regulated.

Sec. 370. Local units of government receiving liquor law enforcement grant funds in accordance with section 543 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543, shall submit a report to the liquor control commission

detailing the expenditures made by the local unit in enforcing the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, and rules promulgated under that act. Local units shall also provide a report to the liquor control commission listing, for the local unit's most recently completed fiscal year, each liquor-related fee imposed by the local unit and the amount of revenue generated by each fee. Both reports required by this section shall be due to the liquor control commission not later than February 15, 2010.

Sec. 372. The Michigan tax tribunal shall work with interested stakeholders to recommend to the governor and the legislature a schedule of fees to be charged by the tribunal to sufficiently meet the expenses of the tribunal. The fee schedule recommended by the tribunal shall include, but not be limited to, filing fees for all cases heard before the entire tribunal and the small claims division. The tribunal shall submit a report to the state budget office, the fiscal agencies, and the subcommittees detailing the recommended fee schedule no later than January 15, 2010. The report shall also recommend the necessary statutory and administrative rule changes necessary to implement the recommended fee schedule. It is the intent of the legislature that the tribunal continue the processing of the rule, as that term is defined in section 5 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.205, relative to the fee schedule established in proposed administrative rules 2006-069 LG, in order to expeditiously implement a revised fee schedule in the fiscal year ending September 30, 2010. It is further the intent of the legislature that the recommended fee schedule be included as part of the executive budget recommendation for the fiscal year ending September 30, 2011.

#### **OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Sec. 401. In addition to the funds appropriated in part 1, the funds collected by the office of financial and insurance regulation in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 402. In addition to the funds appropriated in part 1, the funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 403. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, "covered person" means that term as defined in section 3 of the patient's right to independent review act, 2000 PA 251, MCL 550.1903.

Sec. 405. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance regulation.

Sec. 406. The department shall not expend funds from the appropriations in part 1 for the office of financial and insurance regulation for the purpose of implementing prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until the legislature has, by statute, authorized such a prohibition. This direction is given in accordance with OAG, 2009, No. 7,225 (February 27, 2009).

Sec. 407. The office of financial and insurance regulation shall make available on its Internet website in a timely manner copies of the quarterly and annual financial filings of health maintenance organizations.

#### **HOUSING AND COMMUNITY DEVELOPMENT**

Sec. 501. (1) From the funds appropriated in part 1 to the Michigan housing and community development fund, \$59,000.00 is hereby appropriated from the fund to the Michigan state housing development authority (MSHDA) for projects as described in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(2) It is the intent of the legislature that not less than \$2,104,400.00 of available federal revenue from the American recovery and reinvestment act of 2009 and/or the national affordable housing trust fund shall be allocated for eligible purposes of the Michigan housing and community development fund and distributed according to sections 58c and 58d of the state housing development act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(3) MSHDA shall report by May 1 to the subcommittees, fiscal agencies, and the state budget director on the status of the projects described in subsections (1) and (2), including the statewide allocation plan, number of applicants, amounts requested, description of projects, amounts awarded, number of housing units that have been or are projected to be created, and income levels of the households that have been or are projected to be served.

Sec. 502. MSHDA shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 503. The department and MSHDA shall report to the subcommittees, the state budget director, and the fiscal agencies by December 1 on the status of the loans entered into by the Michigan broadband development authority.



Sec. 504. MSHDA shall provide a report to the subcommittees, the fiscal agencies, and the state budget director by December 1 on the cities of promise blight elimination program. The report shall include:

- (a) The amount awarded to each designated city.
- (b) A description of the projects in each designated city.
- (c) The amount of private or local funds that were used as match for these projects.

Sec. 510. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 511. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the succeeding fiscal year.

#### **MICHIGAN REHABILITATION SERVICES AND MICHIGAN COMMISSION FOR THE BLIND**

Sec. 601. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 602. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112.

Sec. 603. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 604. Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living that are in compliance with federal standards for such centers, for technical assistance to centers, by existing sites to assist in serving underserved areas, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan disability network and the local workforce development boards to identify other competitive sources of funding.

Sec. 610. (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.

(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. 611. The Michigan commission for the blind shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal funds.

Sec. 612. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MICHild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Sec. 613. In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 614. The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

#### **CAREER EDUCATION**

Sec. 701. From the appropriations in part 1, the department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 704. (1) The department shall collaborate with the state board of education, the department of human services, and the department of community health, to extend the duration of the Michigan after-school partnership, and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership. Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The cochairs, representing the department, the state board of education, the department of human services, and the department of community health shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the department. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and governor.

#### **WORKFORCE DEVELOPMENT**

Sec. 801. The department shall administer the jobs, education, and training program in accordance with the requirements of the social security act, title IV, section 407(d), the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 802. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first and jobs, education, and training participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

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

(2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.

(3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

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

Sec. 803. (1) The department shall use all relevant data sources available to compile data on participants in the jobs, education, and training program. The report shall include the following:

- (a) How many participants were enrolled in training.
  - (b) How many participants completed training.
  - (c) How many participants completed training and were employed as a result of that training.
  - (d) How many cases were closed.
  - (e) How many cases were referred to Michigan rehabilitation services.
  - (f) How many case referrals were opened for service by Michigan rehabilitation services.
- (2) Data collection shall be for the period October 1, 2009 through September 30, 2010.
- (3) The report shall be submitted by March 1 to the subcommittees and the fiscal agencies.
- (4) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

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

Sec. 804. Of the funds appropriated in part 1 for welfare to work programs, the department may utilize a portion of the temporary assistance for needy family funds for a statewide noncustodial parent program.

Sec. 810. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, parents of public school pupils, and, at the board's discretion, representatives of organizations that provide school-based curriculum and youth programs focusing on entrepreneurship, work-readiness skills, and financial literacy.

Sec. 811. (1) The department shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works! service centers, as resources permit, during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who requires intensive services beyond core services, as defined by section 134 of the workforce investment act of 1998, 29 USC 2864, whether that individual is a veteran. The employee shall refer any veteran needing or requesting veterans services to the disabled veterans outreach program specialist or local veterans employment representative assigned to the center.

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

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

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

Sec. 812. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The department shall report by January 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act funds appropriated under this section.

Sec. 813. Of the funds appropriated in part 1 for workforce training program subgrantees, \$200,000.00 shall be allocated for not more than 1 grant for the expansion of an existing innovative, employer lead, private/public workforce development program. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:

- (a) Focus on retaining low-wage workers receiving public assistance.
- (b) Meet or exceed 80% retention rate.
- (c) Include more than 1 employer.
- (d) Employer-sited department of human services caseworker.
- (e) Receive Federal TANF to pay for 50% of on-site caseworker.
- (f) Employer must contribute 50% of on-site department of human services worker costs.
- (g) Provide life skill and skills training toward advancing workers to mid-skill jobs.
- (h) Has regional impact across more than 3 counties.
- (i) Include strategic partnerships with counties, community colleges, and other nonprofits.

Sec. 814. It is the intent of the legislature that the department work with career alliance and other interested Michigan works! agencies to implement the career prep program developed pursuant to section 437 of 2007 PA 118.

Sec. 815. Local Michigan works! agencies may utilize a portion of the funds received under part 1 for services provided by local libraries that serve as access points, service centers, or local partners serving high-demand service areas or underserved areas.

Sec. 816. From the funds appropriated in part 1 in the line item for workforce training programs subgrantees, not less than \$5,860,200.00 of federal funds shall be allocated to Focus: HOPE.

Sec. 817. It is the intent of the legislature that a portion of the workforce investment act, statewide activities funds be allocated to support coordinated efforts between local Michigan works! agencies and police and sheriff departments to create programs that offer gang diversion activities and support services to at-risk youth in Wyoming, Benton Harbor, Saginaw, and Detroit.

Sec. 818. From the funds appropriated in part 1 for workforce training program subgrantees, \$150,000.00 may be allocated for not more than 1 grant for a job training and job preparation program that meets the following criteria:

- (a) Involves prospective employers as community partners.
- (b) Retrains displaced workers for health care industry jobs including pharmacy technician and medical coding in programs that require participants to complete at least 90 hours of field experience.
- (c) Provides training at either no cost to participants or at a cost to participants of not more than 25% of the per student cost of offering the training program.
- (d) Demonstrates a placement rate of 80% or more.

Sec. 820. By December 1, 2009, the department shall submit a report to the state budget director, the senate and house appropriations committees, and the fiscal agencies on the status of nursing education in Michigan. The report shall include, but is not limited to, the number of nursing degree programs offered at Michigan public and private nursing education institutions, the type of nursing degrees and certificates offered (practical nurse, associate, bachelor's, master's, doctoral), the number of Michigan board of nursing approved nursing seats for nursing students, the number and type of faculty needed to maintain and expand nursing education, and any barriers there may be to the employment of more nurses in the state of Michigan.

Sec. 821. (1) From the appropriation in part 1 for the Michigan nursing corps, grants shall be awarded to Michigan institutions of higher education consisting of public 4-year institutions, public 2-year institutions, independent colleges and universities, and tribally controlled community colleges with existing, accredited nursing baccalaureate or postgraduate education programs. The purpose of the grants is to prepare registered nurses and increase the number of nursing faculty. The department may also award grants on a cash or in-kind matching basis to licensed hospitals that agree to provide nurse educators and related clinical training to additional student nurses in partnership with institutions of higher education described in this subsection. Awards shall be made in a manner and form as determined by the department, in collaboration with the department of community health.

(2) One or more grants may be awarded to educational institutions for preparation of additional nurse faculty in programs that meet 1 or more of the following:

(a) Preparation of master's-degreed nursing faculty in a nationally accredited, accelerated program. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(b) Preparation of doctoral-degreed nursing faculty in an accelerated program within an existing, accredited doctor of philosophy in nursing program or doctorate of nursing practice program. Participants must be currently enrolled doctoral students who will be able to complete their doctoral degree program within 2 years. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(c) Preparation of clinical instructors for nursing education programs. A common statewide curriculum will be developed by a consortium of the grantee institutions. The program shall include classroom instruction plus a practicum with students and patients. This program shall require collaborative agreements between nursing education programs and hospitals. It is expected that each graduate will provide clinical instruction for at least 1 cohort of nursing students per year.

(3) A program receiving a grant under subsection (2) shall provide that eligible participating students under subsection (2) are registered nurses willing to participate full-time in accredited programs and become employed in Michigan as nursing faculty or clinical instructors for a minimum number of years, as determined by the department of community health, upon completion of the program. The department of community health shall establish procedures for recovery of funds from students who do not remain employed in Michigan for the prescribed time period.

(4) One or more grants may be awarded for preparation of registered nurses in accredited, accelerated bachelor's in nursing programs. These programs shall be targeted toward Michigan workers who have been displaced from employment and who possess a bachelor's degree in a science-related area. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(5) Program management, data management, and evaluation for these projects shall be the responsibility of the department of community health, in collaboration with the department.

(6) The department and the department of community health shall work to increase the amount of federal funds for nurse education available to the state, eligible grantees described in subsection (1), and nursing students.

(7) The funds appropriated in part 1 for the Michigan nursing corps are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for the expenditure of grants until the project has been completed. The total cost of the work project is estimated at \$300,000.00 and the tentative completion date is September 30, 2011.

Sec. 830. (1) Of the funds appropriated in part 1 for the workforce training programs subgrantees, the department shall provide a report by December 15, 2010 to the house and senate chairs of the subcommittees, the state budget director, and the fiscal agencies on the status of the no-worker-left-behind program. The report shall include the following:

(a) The amount of funding allocated to each Michigan works! agency and the total funding allocated to the no-worker-left-behind program statewide by fund source.

(b) The number of participants enrolled in the program by each Michigan works! agency.

(c) The average duration of training for program participants by each Michigan works! agency.

(d) The number of participants enrolled in remedial education programs and the number of participants enrolled in literacy programs.

(e) The number of participants enrolled in programs at 2-year institutions.

(f) The number of participants enrolled in 4-year institutions.

(g) The number of participants enrolled in proprietary schools or other technical training programs.

(h) The number of participants that have completed education or training programs.

(i) The number of participants who secured employment in Michigan within 1 year of completing a no-worker-left-behind training program.

(j) The number of participants who completed a no-worker-left-behind training program and secured employment in a field related to their training.

(k) The average wage earned by participants who completed a no-worker-left-behind training program and secured employment within 1 year.

(2) Data collection for the report shall be for the period October 1, 2009 through September 30, 2010.

Sec. 831. (1) The general fund/general purpose revenue appropriated in part 1 for workforce training programs subgrantees shall be used for the no-worker-left-behind program, to be allocated for the following purposes as determined by the department:

(a) To provide adult basic education, remedial education, or other training for individuals not ready for postsecondary education, in order to prepare these individuals for postsecondary training and new careers.

(b) To increase the capacity of community colleges and other public associate's degree-granting institutions in this state to provide education and training to individuals receiving assistance under the program. Funding shall be provided to these educational institutions based on a competitive bidding process. The department shall establish criteria for awarding grants pursuant to a competitive bidding process.

(c) To provide individuals with direct training in in-demand occupations, as determined by local workforce investment boards. These funds shall be distributed to local Michigan works! agencies based on demonstrated need. In distributing these funds, the department shall ensure funds are used for individuals who are ready for training in in-demand occupations and for whom training slots are available. The Michigan works! agencies may prioritize the training programs provided under this subdivision that are accessible by persons displaced from manufacturing and related automobile industry jobs. Any Michigan works! agency receiving these funds shall reserve a portion, or otherwise assure that it has sufficient resources, to pay for the full course of approved training for each individual served.

(2) No later than March 1, the department shall submit a report to the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget office on the distribution of the \$4,500,000.00 general fund/general purpose appropriation. The report shall include:

(a) The total amount distributed under subsection (1)(a) and (c) by Michigan works! agency.

(b) The total amount distributed under subsection (1)(b) by community colleges.

(c) The balance remaining in the work project account.

(3) The \$4,500,000.00 general fund/general purpose revenue appropriated in part 1 for the no-worker-left-behind program is designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for expenditure until September 30, 2011.

Sec. 832. The department shall ensure that school districts and career preparation programs operated by school districts are eligible education providers under the no-worker-left-behind program and programs funded by the federal workforce investment act.

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

A bill to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Mark Jansen  
Thomas M. George  
Conferees for the Senate

Richard Hammel  
Jon Switalski  
Bill Rogers  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
Senator Cropsey moved that the rule be suspended.

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

The question being on the adoption of the conference report,

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

**Roll Call No. 472**

**Yeas—21**

Allen  
Birkholz

Garcia  
George

Jelinek  
Kahn

Patterson  
Richardville

Bishop  
Brown  
Cassis  
Cropsey

Gilbert  
Hardiman  
Jansen

Kuipers  
McManus  
Pappageorge

Sanborn  
Stamas  
Van Woerkom

#### Nays—16

Anderson  
Barcia  
Basham  
Brater

Cherry  
Clark-Coleman  
Clarke  
Gleason

Hunter  
Jacobs  
Olshove  
Prusi

Scott  
Switalski  
Thomas  
Whitmer

#### Excused—0

#### Not Voting—0

In The Chair: Richardville

### Committee Reports

The Committee on Energy Policy and Public Utilities reported

#### **Senate Bill No. 852, entitled**

A bill to provide for loans, grants, and other assistance for energy efficiency and renewable energy projects; to create a restricted fund; and to provide for the powers and duties of certain state and local governmental officers and entities.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Bruce Patterson  
Chairperson

To Report Out:

Yeas: Senators Patterson, Birkholz, Kuipers, Richardville, Olshove, Clarke and Thomas

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Energy Policy and Public Utilities reported

#### **House Bill No. 4386, 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;" (MCL 460.1 to 460.11) by adding section 9s.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Bruce Patterson  
Chairperson

## To Report Out:

Yeas: Senators Patterson, Brown, Birkholz, Richardville, Olshove, Clarke and Thomas

Nays: Senator Kuipers

The bill was referred to the Committee of the Whole.

The Committee on Energy Policy and Public Utilities reported

**House Bill No. 4655, 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," (MCL 460.1 to 460.11) by adding section 9m.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Bruce Patterson  
Chairperson

## To Report Out:

Yeas: Senators Patterson, Brown, Birkholz, Richardville, Olshove, Clarke and Thomas

Nays: Senator Kuipers

The bill was referred to the Committee of the Whole.

The Committee on Energy Policy and Public Utilities reported

**House Bill No. 4656, 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," (MCL 460.1 to 460.11) by adding section 9p.

With the recommendation that the following amendment be adopted and that the bill then pass:

1. Amend page 2, line 7, after "**SHALL**" by striking out "**ESTABLISHED**" and inserting "**ESTABLISH**".

The committee further recommends that the bill be given immediate effect.

Bruce Patterson  
Chairperson

## To Report Out:

Yeas: Senators Patterson, Birkholz, Richardville, Olshove, Clarke and Thomas

Nays: Senator Kuipers

The bill and the amendment recommended by the committee were referred to the Committee of the Whole.

The Committee on Energy Policy and Public Utilities reported

**House Bill No. 4658, 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," (MCL 460.1 to 460.11) by adding section 9o.

With the recommendation that the bill pass.

The committee further recommends that the bill be given immediate effect.

Bruce Patterson  
Chairperson

To Report Out:

Yeas: Senators Patterson, Brown, Birkholz, Richardville, Olshove, Clarke and Thomas

Nays: Senator Kuipers

The bill was referred to the Committee of the Whole.

The Committee on Energy Policy and Public Utilities reported

**House Bill No. 4659, 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," (MCL 460.1 to 460.11) by adding section 9q.

With the recommendation that the following amendments be adopted and that the bill then pass:

1. Amend page 3, following line 15, by inserting:

**"(4) THE PROVIDER'S GOVERNING BODY SHALL ESTABLISH A POLICY TO ALLOW A CUSTOMER THE OPPORTUNITY TO ENTER INTO A PAYMENT PLAN FOR AN AMOUNT OWED TO THE PROVIDER THAT IS NOT IN DISPUTE, IF A CUSTOMER CLAIMS AN INABILITY TO PAY IN FULL. A PROVIDER IS NOT REQUIRED TO ENTER INTO A SUBSEQUENT PAYMENT PLAN WITH A CUSTOMER UNTIL THE CUSTOMER HAS COMPLIED FULLY WITH THE TERMS OF AN EXISTING OR PREVIOUS PAYMENT PLAN. A PROVIDER IS NOT REQUIRED TO ENTER INTO A SUBSEQUENT PAYMENT PLAN WITH A CUSTOMER WHO DEFAULTED ON THE TERMS AND CONDITIONS OF A PAYMENT PLAN WITHIN THE LAST 12 MONTHS."** and renumbering the remaining subsections.

2. Amend page 3, line 25, after "**PROVIDER**" by striking out "**IF THE CLAIM IS**".

3. Amend page 3, line 25, after "**AMOUNT**" by inserting "**OWED TO THE PROVIDER**".

4. Amend page 4, line 7, after "**(G)**" by striking out "**THAT**" and inserting "**DURING THE HEATING SEASON,**".

5. Amend page 4, line 8, after the second "**CUSTOMER**" by inserting "**THAT ENTERS INTO A WINTER PROTECTION PAYMENT PLAN WITH THE PROVIDER**".

6. Amend page 5, line 4, after "**COMMISSION**" by inserting "**FOR REGULATED UTILITIES**".

The committee further recommends that the bill be given immediate effect.

Bruce Patterson  
Chairperson

To Report Out:

Yeas: Senators Patterson, Birkholz, Richardville, Olshove, Clarke and Thomas

Nays: Senator Kuipers

The bill and the amendments recommended by the committee were referred to the Committee of the Whole.



The Committee on Energy Policy and Public Utilities reported

**House Bill No. 4673, 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," (MCL 460.1 to 460.11) by adding section 9r.

With the recommendation that the following amendments be adopted and that the bill then pass:

1. Amend page 2, line 3, after the first "THE" by striking out "CUSTOMER PAYS" and inserting "ELIGIBLE CUSTOMER ENTERS INTO A WINTER PROTECTION PAYMENT PLAN TO PAY".

2. Amend page 2, line 5, after the first "CUSTOMER" by inserting "OR THE ELIGIBLE CUSTOMER AND THE UTILITY MUTUALLY AGREE UPON A WINTER PROTECTION PAYMENT PLAN WITH DIFFERENT TERMS".

3. Amend page 2, line 13, by striking out all of subsection (2) and renumbering the remaining subsections.

4. Amend page 2, line 20, after "OF" by striking out "THIS SECTION" and inserting "A WINTER PROTECTION PAYMENT PLAN".

The committee further recommends that the bill be given immediate effect.

Bruce Patterson  
Chairperson

To Report Out:

Yeas: Senators Patterson, Brown, Birkholz, Richardville, Olshove, Clarke and Thomas

Nays: Senator Kuipers

The bill and the amendments recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Energy Policy and Public Utilities submitted the following:

Meeting held on Wednesday, September 23, 2009, at 1:00 p.m., Room 210, Farnum Building

Present: Senators Patterson (C), Brown, Birkholz, Kuipers, Richardville, Olshove, Clarke and Thomas

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Environmental Quality/Natural Resources (HB 4446) submitted the following:

Meeting held on Wednesday, September 23, 2009, at 8:30 a.m., Room 426, Capitol Building

Present: Senators McManus, Jelinek and Brater

COMMITTEE ATTENDANCE REPORT

The Conference Committee on K-12, School Aid (HB 4447) submitted the following:

Meeting held on Wednesday, September 23, 2009, at 8:30 a.m., House Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Jelinek, Brown and Switalski

COMMITTEE ATTENDANCE REPORT

The Conference Committee on State Police (SB 253) submitted the following:

Meeting held on Wednesday, September 23, 2009, at 9:15 a.m., Rooms 402 and 403, Capitol Building

Present: Senators Garcia (C), Cropsey and Barcia

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Higher Education (HB 4441) submitted the following:  
Meeting held on Wednesday, September 23, 2009, at 9:30 a.m., House Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Stamas, George and Barcia

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Military and Veterans Affairs (SB 250) submitted the following:  
Meeting held on Thursday, September 24, 2009, at 9:30 a.m., Rooms 402 and 403, Capitol Building  
Present: Senators Garcia (C), Cropsey and Barcia

**Scheduled Meetings****Conference Committees -**

**Environmental Quality/Natural Resources (HB 4446)** - Friday, September 25, 11:00 a.m., Room 426, Capitol Building (373-8080)

**General Government (SB 245)** - Friday, September 25, 10:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

**Human Services (SB 248)** - Friday, September 25, 10:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

**Transportation (SB 254)** - Friday, September 25, 10:30 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

**Commerce and Tourism** - Tuesday, September 29, 2:30 p.m., Room 100, Farnum Building (373-2413)

**Legislative Retirement Board of Trustees** - Thursday, December 3, 2:00 p.m., Room H-252, Capitol Building (373-0575)

Senator Cropsey moved that the Senate adjourn.  
The motion prevailed, the time being 6:12 p.m.

In pursuance of the order previously made, the President pro tempore, Senator Richardville, declared the Senate adjourned until Friday, September 25, 2009, at 9:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate