

No. 78
STATE OF MICHIGAN
Journal of the Senate
95th Legislature
REGULAR SESSION OF 2009

Senate Chamber, Lansing, Tuesday, September 29, 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

Pastor Terry Kuhns, Mentoring Director for Operation Transformation of Port Huron, offered the following invocation:

Our Father in Heaven, we come before You this morning and invite Your presence into this room. In Your great love, You created us to experience life with You. We thank You for this great love and for the gift of life. Thank You, Father, that You care about us and our lives.

Lord, You said that through the prophet Jeremiah that it is good to seek and pray for the peace and prosperity of the city as talked about in the book of Jeremiah. Father, this morning we would ask You for Your blessing on our country and on this great state of Michigan. We ask that Your will would be accomplished in our cities and communities.

Lord, I pray for these, our public servants who are here today. Lord, would You bless their lives and their families. I just want to thank You for them and their gift of service to our state and their communities. And now, Father, we ask You for Your blessing on the discussions they have and the decisions that they make here today.

We pray all of this in the name of Jesus. Amen.

The President, Lieutenant Governor Cherry, led the members of the Senate in recital of the *Pledge of Allegiance*.

Motions and Communications

Senator Pappageorge entered the Senate Chamber.

Senator Cropsey moved that rule 2.106 be suspended to allow committees to meet during Senate session. The motion prevailed, a majority of the members serving voting therefor.

Senator Cropsey moved that Senators Birkholz, Garcia and Brown be temporarily excused from today's session. The motion prevailed.

The following communication was received and read:
Office of the Auditor General

September 24, 2009

Enclosed is a copy of the following audit report:

Financial audit, including the provisions of the Single Audit Act, of the Department of Human Services (DHS) for the period October 1, 2006 through September 30, 2008.

Sincerely,
Thomas H. McTavish, C.P.A.
Auditor General

The audit report was referred to the Committee on Government Operations and Reform.

The Secretary announced that the following House bills were received in the Senate and filed on Friday, September 25:

House Bill Nos. 5072 5073 5120 5126

The Secretary announced that the following official bills were printed on Friday, September 25, and are available at the legislative website:

Senate Bill Nos. 864 865 866 867 868 869 870 871 872 873 874 875 876
House Bill Nos. 5464 5465 5466 5467

The Secretary announced that the following official bills were printed on Monday, September 28, and are available at the legislative website:

Senate Bill Nos. 877 878
House Bill Nos. 5468 5469 5470 5471 5472 5473 5474 5475 5476 5477 5478 5479

Messages from the House**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 10:07 a.m.

10:46 a.m.

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

During the recess, Senators Birkholz, Brown, Barcia and Garcia entered the Senate Chamber.

Recess

Senator Cropsey moved that the Senate recess until 1:00 p.m.
The motion prevailed, the time being 10:47 a.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 3:00 p.m.
The motion prevailed, the time being 1:01 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 3:03 p.m.

4:17 p.m.

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

Senate Bill No. 494, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 208b, 217a, 232, 801, 802, 803b, 803r, 804, 806, 809, 810b, 811d, 811e, and 811h (MCL 257.208b, 257.217a, 257.232, 257.801, 257.802, 257.803b, 257.803r, 257.804, 257.806, 257.809, 257.810b, 257.811d, 257.811e, and 257.811h), sections 208b and 232 as amended by 2005 PA 173, sections 217a and 804 as amended and section 803r as added by 2003 PA 152, section 801 as amended by 2008 PA 7, section 802 as amended by 2004 PA 163, section 803b as amended by 2004 PA 426, section 806 as amended by 2008 PA 281, section 809 as amended by 2008 PA 280, section 810b as amended by 2006 PA 549, and sections 811d, 811e, and 811h as amended by 2006 PA 562; and to repeal acts and parts of acts.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or

Senate Bill No. 495, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 80130, 80315, 81114, and 82156 (MCL 324.80130, 324.80315, 324.81114, and 324.82156), as amended by 2005 PA 174.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill 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 concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 478**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: Richardville

The question being on concurring in the committee recommendation to give the bill immediate effect,

The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

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

Senate Bill No. 540, entitled

A bill to amend 1972 PA 222, entitled “An act to provide for an official personal identification card; to provide for its form, issuance and use; to regulate the use and disclosure of information obtained from the card; to prescribe the powers and duties of the secretary of state; to prescribe fees; to prescribe certain penalties for violations; and to provide an appropriation for certain purposes,” by amending section 7 (MCL 28.297), as amended by 2005 PA 172.

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2) and ordered that it be given immediate effect.

Pending the order that, under rule 3.202, the bill 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 concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 479**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: Richardville

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

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 pro tempore, Senator Richardville, designated Senator Gleason as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Richardville, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 553, entitled

A bill to amend 1984 PA 34, entitled "Michigan low income heating assistance and shut-off protection act," by amending section 7 (MCL 400.1207).

Substitute (S-1).

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.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

Senate Bill No. 555, entitled

A bill to amend 1984 PA 34, entitled "Michigan low income heating assistance and shut-off protection act," (MCL 400.1201 to 400.1217) by adding section 7a.

Substitute (S-1).

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
Conference Reports

Senator Pappageorge submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 245, entitled

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

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

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL GENERAL GOVERNMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	46.0	
Full-time equated classified positions	7,440.7	
GROSS APPROPRIATION		\$ 3,006,201,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	638,721,400	
ADJUSTED GROSS APPROPRIATION		\$ 2,367,480,300
Federal revenues:		
Total federal revenues.....	116,944,500	
Special revenue funds:		
Total local revenues	3,554,000	
Total private revenues.....	1,275,700	
Total other state restricted revenues	1,618,811,900	
State general fund/general purpose		\$ 626,894,200

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	537.0	
GROSS APPROPRIATION		\$ 73,873,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	21,289,800	
ADJUSTED GROSS APPROPRIATION		\$ 52,583,800

	For Fiscal Year Ending Sept. 30, 2010
Federal revenues:	
Total federal revenues.....	\$ 8,277,800
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	15,521,000
State general fund/general purpose.....	\$ 28,785,000
(2) ATTORNEY GENERAL OPERATIONS	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	537.0
Attorney general.....	\$ 124,900
Unclassified positions—5.0 FTE positions.....	476,300
Attorney general operations—500.0 FTE positions.....	67,442,900
Child support enforcement—25.0 FTE positions.....	2,932,900
Prosecuting attorneys coordinating council—12.0 FTE positions.....	2,038,700
GROSS APPROPRIATION.....	\$ 73,015,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCH, health services.....	1,906,300
IDG from MDCH, WIC.....	71,500
IDG from department of corrections.....	487,000
IDG from MDE.....	294,100
IDG from MDEQ.....	1,776,800
IDG from MDHS.....	3,345,100
IDG from MDELEG, career education services.....	190,100
IDG from MDELEG, children's protection registry.....	37,000
IDG from MDELEG, financial and insurance services.....	1,125,400
IDG from MDELEG, licensing and regulation fees.....	179,400
IDG from MDELEG, Michigan occupational safety and health administration.....	100,800
IDG from MDELEG, Michigan state housing development authority.....	529,500
IDG from MDELEG, remonumentation fees.....	79,200
IDG from MDMB, civil service commission.....	306,300
IDG from MDMB, risk management revolving fund.....	1,362,800
IDG from DMVA.....	121,500
IDG from MDOT, comprehensive transportation fund.....	162,400
IDG from MDOT, state aeronautics fund.....	160,300
IDG from MDOT, state trunkline fund.....	2,867,300
IDG from MDSP, Michigan justice training fund.....	325,000
IDG from MDSP.....	720,000
IDG from treasury.....	4,818,600
IDG from treasury, strategic fund.....	131,900
IDG from MDIT.....	191,500
Federal revenues:	
DAG, state administrative match grant/food stamps.....	395,900
Federal funds.....	2,531,300
HHS, medical assistance, medigrant.....	652,300
HHS-OS, state Medicaid fraud control units.....	4,598,300
National criminal history improvement program.....	100,000
Special revenue funds:	
Antitrust enforcement collections.....	663,800
Assigned claims assessments.....	122,600
Attorney general's operations fund.....	919,500
Auto repair facilities fees.....	238,500
Franchise fees.....	305,500
Game and fish protection fund.....	932,800
Homeowner construction lien recovery fund.....	566,100

	For Fiscal Year Ending Sept. 30, 2010
Liquor purchase revolving fund	\$ 1,082,000
Manufactured housing fees.....	200,400
Merit award trust fund.....	408,600
Michigan employment security act - administrative fund	1,748,400
Prisoner reimbursement	470,600
Prosecuting attorneys training fees.....	375,000
Public utility assessments	1,839,300
Real estate enforcement fund	552,600
Reinstatement fees	163,400
Retirement funds	770,600
Second injury fund	1,004,500
Self-insurers security fund.....	178,100
Silicosis and dust disease fund.....	536,200
State building authority revenue.....	100,300
State casino gaming fund	1,139,800
State lottery fund	254,000
Utility consumers fund.....	571,600
Waterways fund	102,400
Worker's compensation administrative revolving fund	274,400
State general fund/general purpose	\$ 27,927,100
(3) INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 857,900
GROSS APPROPRIATION	\$ 857,900
Appropriated from:	
State general fund/general purpose	\$ 857,900
Sec. 103. DEPARTMENT OF CIVIL RIGHTS	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions	125.0
GROSS APPROPRIATION	\$ 13,763,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 13,763,700
Federal revenues:	
Total federal revenues.....	2,057,300
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 11,706,400
(2) CIVIL RIGHTS OPERATIONS	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions	125.0
Unclassified positions—5.0 FTE positions	\$ 267,100
Civil rights operations—125.0 FTE positions	12,728,600
GROSS APPROPRIATION	\$ 12,995,700
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts	1,271,700
HUD, grant	770,600
State general fund/general purpose	\$ 10,953,400
(3) INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 768,000
GROSS APPROPRIATION	\$ 768,000

For Fiscal Year
Ending Sept. 30,
2010

Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts	\$ 15,000
State general fund/general purpose	\$ 753,000
Sec. 104. EXECUTIVE OFFICE	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions	74.2
GROSS APPROPRIATION	\$ 4,823,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 4,823,700
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 4,823,700
(2) EXECUTIVE OFFICE OPERATIONS	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions	74.2
Governor.....	\$ 177,000
Lieutenant governor.....	123,900
Executive office—74.2 FTE positions.....	3,673,000
Unclassified positions—8.0 FTE positions	849,800
GROSS APPROPRIATION	\$ 4,823,700
Appropriated from:	
State general fund/general purpose	\$ 4,823,700
Sec. 105. DEPARTMENT OF INFORMATION TECHNOLOGY	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions.....	3.0
Full-time equated classified positions	1,632.0
GROSS APPROPRIATION	\$ 423,323,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	423,323,100
ADJUSTED GROSS APPROPRIATION	\$ 0
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 0
(2) ADMINISTRATION	
Full-time equated unclassified positions.....	3.0
Full-time equated classified positions	1,632.0
Unclassified positions—3.0 FTE positions	\$ 300,000
Enterprisewide services—69.0 FTE positions	22,560,000
Health and human services—694.5 FTE positions	229,080,400
Education services—32.0 FTE positions.....	3,264,300
Public protection—284.0 FTE positions	58,931,500
Resources services—164.0 FTE positions.....	18,418,500
Transportation services—99.5 FTE positions.....	28,996,900
General services—289.0 FTE positions	61,771,500
GROSS APPROPRIATION	\$ 423,323,100

For Fiscal Year
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Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of agriculture	\$ 1,718,900
IDG from department of attorney general.....	857,900
IDG from department of civil rights	853,700
IDG from civil service commission	4,340,300
IDG from department of community health.....	52,934,600
IDG from department of corrections	22,984,300
IDG from department of education	3,531,200
IDG from department of environmental quality.....	7,822,300
IDG from Michigan gaming control board	1,361,300
IDG from department of human services.....	132,545,400
IDG from department of energy, labor, and economic growth	44,907,200
IDG from bureau of state lottery.....	4,614,000
IDG from department of management and budget.....	28,392,400
IDG from department of military and veterans affairs.....	1,254,300
IDG from department of natural resources	9,412,100
IDG from department of state	25,023,700
IDG from department of state police	33,384,700
IDG from department of transportation.....	29,313,200
IDG from department of treasury.....	18,071,600
State general fund/general purpose	\$ 0
Sec. 106. LEGISLATURE	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 106,274,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 106,274,700
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	400,000
Total other state restricted revenues	1,109,800
State general fund/general purpose	\$ 104,764,900
(2) LEGISLATURE	
Senate	\$ 26,698,100
Senate automated data processing	2,294,600
Senate fiscal agency	2,897,300
House of representatives.....	42,309,700
House automated data processing	1,822,400
House fiscal agency.....	2,897,300
GROSS APPROPRIATION	\$ 78,919,400
Appropriated from:	
State general fund/general purpose	\$ 78,919,400
(3) LEGISLATIVE COUNCIL	
Legislative council.....	\$ 9,139,200
Legislative service bureau automated data processing	1,237,300
Worker's compensation.....	133,000
National association dues	148,900
Legislative corrections ombudsman.....	369,700
GROSS APPROPRIATION	\$ 11,028,100
Appropriated from:	
Special revenue funds:	
Private - gifts and bequests revenues	400,000
State general fund/general purpose	\$ 10,628,100

	For Fiscal Year Ending Sept. 30, 2010
(4) LEGISLATIVE RETIREMENT SYSTEM	
General nonretirement expenses.....	\$ 4,533,900
GROSS APPROPRIATION	\$ 4,533,900
Appropriated from:	
Special revenue funds:	
Court fees	1,109,800
State general fund/general purpose	\$ 3,424,100
(5) PROPERTY MANAGEMENT	
Capitol building.....	\$ 2,552,800
Cora Anderson building	7,424,800
Farnum building and other properties	1,815,700
GROSS APPROPRIATION	\$ 11,793,300
Appropriated from:	
State general fund/general purpose	\$ 11,793,300
Sec. 107. LEGISLATIVE AUDITOR GENERAL	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 14,961,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	1,801,500
ADJUSTED GROSS APPROPRIATION	\$ 13,159,700
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues	1,539,900
State general fund/general purpose	\$ 11,619,800
(2) OFFICE OF THE AUDITOR GENERAL	
Unclassified positions.....	\$ 313,500
Field operations	14,647,700
GROSS APPROPRIATION	\$ 14,961,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDMB, civil service commission.....	107,900
IDG from MDELEG, liquor purchase revolving fund	11,300
IDG from MDOT, comprehensive transportation fund.....	25,200
IDG from MDOT, Michigan transportation fund	204,300
IDG from MDOT, state aeronautics fund.....	19,600
IDG from MDOT, state trunkline fund	474,600
IDG, single audit act	958,600
Special revenue funds:	
21st century jobs fund.....	50,000
Clean Michigan initiative implementation bond fund	38,300
Commercial mobile radio system emergency telephone fund.....	38,300
Construction lien fund.....	7,400
Contract audit administration fees.....	53,900
Correctional industries revolving fund	32,000
Fee adequacy, air quality delegated authority	9,600
Legislative retirement system	19,100
Michigan conservation and recreation legacy fund	29,500
Michigan economic development corporation.....	54,400
Michigan education trust fund.....	30,700
Michigan justice training commission fund	28,700
Michigan state housing development authority fees	22,600
Michigan strategic fund.....	89,000
Michigan tobacco settlement authority.....	27,000

	For Fiscal Year Ending Sept. 30, 2010
Michigan veterans' trust fund.....	\$ 24,900
Motor transport revolving fund.....	4,800
Office services revolving fund.....	6,900
State disbursement unit, office of child support.....	25,500
State services fee fund.....	947,300
State general fund/general purpose.....	\$ 11,619,800
Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions.....	7.0
Full-time equated classified positions.....	1,406.0
GROSS APPROPRIATION.....	\$ 548,665,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	161,186,300
ADJUSTED GROSS APPROPRIATION.....	\$ 387,479,400
Federal revenues:	
Total federal revenues.....	11,219,800
Special revenue funds:	
Total local revenues.....	2,027,600
Total private revenues.....	151,900
Total other state restricted revenues.....	78,805,800
State general fund/general purpose.....	\$ 295,274,300
(2) MANAGEMENT AND BUDGET SERVICES	
Full-time equated unclassified positions.....	7.0
Full-time equated classified positions.....	696.5
Unclassified positions—7.0 FTE positions.....	\$ 636,500
Executive operations—10.5 FTE positions.....	1,407,300
Administrative services—55.5 FTE positions.....	5,153,700
Budget and financial management—172.5 FTE positions.....	23,322,200
Office of the state employer—23.0 FTE positions.....	2,848,200
Design and construction services—40.0 FTE positions.....	5,443,100
Business support services—96.0 FTE positions.....	9,128,500
Building operation services—253.0 FTE positions.....	87,784,000
Building occupancy charges, rent, and utilities.....	5,049,300
Motor vehicle fleet—46.0 FTE positions.....	56,994,200
GROSS APPROPRIATION.....	\$ 197,767,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, comprehensive transportation fund.....	32,700
IDG from MDOT, state aeronautics fund.....	23,600
IDG from MDOT, state trunkline fund.....	1,140,800
IDG from building occupancy and parking charges.....	90,855,100
IDG from department of energy, labor, and economic growth.....	100,000
IDG from motor transport fund.....	56,994,200
IDG from MDCH.....	438,900
IDG from MDHS.....	175,500
IDG from user fees.....	5,406,600
Federal revenues:	
Federal indirect funds.....	266,700
Special revenue funds:	
Game and fish protection fund.....	380,500
Health management funds.....	1,862,100
Marine safety fund.....	600
Special revenue, internal service, and pension trust funds.....	11,464,800
State building authority revenue.....	633,400
State exposition and fairgrounds fund.....	6,605,300
State lottery fund.....	334,400

	For Fiscal Year Ending Sept. 30, 2010
State services fee fund.....	\$ 126,400
Waterways fund	94,600
State general fund/general purpose	\$ 20,830,800
(3) STATEWIDE APPROPRIATIONS	
Professional development fund - MPE, SEIU, scientific and engineering unit	\$ 125,000
Professional development fund - MPE, SEIU, technical unit	50,000
Professional development fund - AFSCME	50,000
Professional development fund - NEREs	50,000
Professional development fund - MSCs	150,000
GROSS APPROPRIATION	\$ 425,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions	425,000
State general fund/general purpose	\$ 0
(4) SPECIAL PROGRAMS	
Full-time equated classified positions	176.0
Building occupancy charges - property management services for executive/legislative building occupancy	\$ 1,249,100
Retirement services—164.0 FTE positions	17,234,000
Office of children’s ombudsman—12.0 FTE positions	1,397,600
Census tracking/reapportionment	1,200,000
GROSS APPROPRIATION	\$ 21,080,700
Appropriated from:	
Special revenue funds:	
Deferred compensation.....	1,542,400
Pension trust funds	15,691,600
State general fund/general purpose	\$ 3,846,700
(5) INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 26,536,800
GROSS APPROPRIATION	\$ 26,536,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, comprehensive transportation fund.....	2,100
IDG from MDOT, state aeronautics fund.....	1,100
IDG from MDOT, state trunkline fund	47,500
IDG from building occupancy and parking charges.....	685,500
IDG from user fees.....	196,400
Special revenue funds:	
Deferred compensation.....	2,600
Game and fish protection fund.....	10,700
Health management funds	44,000
MAIN user charges	4,305,600
Pension trust funds	6,568,700
Special revenue, internal service, and pension trust funds.....	2,635,000
State building authority revenue.....	10,400
State lottery fund.....	4,600
Waterways fund	2,000
State general fund/general purpose	\$ 12,020,600
(6) STATE BUILDING AUTHORITY RENT	
State building authority rent - state agencies	\$ 54,676,300
State building authority rent - department of corrections	47,090,600
State building authority rent - universities	112,618,300
State building authority rent - community colleges	20,985,400
GROSS APPROPRIATION	\$ 235,370,600
Appropriated from:	
State general fund/general purpose	\$ 235,370,600

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(7) CIVIL SERVICE COMMISSION

Full-time equated classified positions	533.5	
Agency services—118.5 FTE positions.....		\$ 12,235,400
Executive direction—33.0 FTE positions.....		8,693,400
Employee benefits—31.0 FTE positions.....		5,936,500
Training		1,300,000
Human resources operations—351.0 FTE positions		33,380,000
Information technology services and projects.....		3,940,300
GROSS APPROPRIATION		\$ 65,485,600

Appropriated from:

Interdepartmental grant revenues:

IDG, training charges		1,300,000
IDG, 1% special funds		1,361,300

Federal revenues:

Federal funds 1%.....		6,147,600
Federal indirect funds.....		4,805,500

Special revenue funds:

Local funds 1%		2,027,600
Private funds 1%		151,900
State restricted funds 1%.....		17,759,200
State sponsored group insurance		2,650,000
State sponsored group insurance, flexible spending accounts and COBRA		6,076,900
State general fund/general purpose		\$ 23,205,600

(8) CAPITAL OUTLAY

Major special maintenance, remodeling and addition for state agencies		\$ 2,000,000
GROSS APPROPRIATION		\$ 2,000,000

Appropriated from:

Interdepartmental grant revenues:

IDG from building occupancy charges.....		2,000,000
State general fund/general purpose		\$ 0

Sec. 109. DEPARTMENT OF STATE

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	1,809.0	
GROSS APPROPRIATION		\$ 209,130,200

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		20,000,000
ADJUSTED GROSS APPROPRIATION		\$ 189,130,200

Federal revenues:

Total federal revenues.....		1,810,000
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Special revenue funds:

Total local revenues.....		0
Total private revenues.....		100
Total other state restricted revenues		169,364,700
State general fund/general purpose		\$ 17,955,400

(2) EXECUTIVE DIRECTION

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	30.0	
Secretary of state.....		\$ 124,900
Unclassified positions—5.0 FTE positions		453,200
Operations—30.0 FTE positions		3,032,300
GROSS APPROPRIATION		\$ 3,610,400

Appropriated from:

Special revenue funds:

Auto repair facilities fees		60,500
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	For Fiscal Year Ending Sept. 30, 2010
Driver fees	\$ 143,800
Expedient service fees	58,500
Parking ticket court fines.....	8,300
Personal identification card fees.....	13,800
Reinstatement fees - operator licenses	150,400
Transportation administration collection fund.....	2,069,100
Vehicle theft prevention fees	35,600
State general fund/general purpose	\$ 1,070,400
(3) DEPARTMENT SERVICES	
Full-time equated classified positions	159.0
Operations—152.0 FTE positions	\$ 22,465,200
Assigned claims assessments—7.0 FTE positions	908,600
GROSS APPROPRIATION	\$ 23,373,800
Appropriated from:	
Special revenue funds:	
Abandoned vehicle fees.....	468,600
Assigned claims assessments.....	908,600
Auto repair facilities fees	415,000
Child support clearance fees	34,300
Driver fees	451,100
Expedient service fees.....	256,800
Marine safety fund	77,100
Off-road vehicle title fees.....	7,800
Parking ticket court fines.....	52,700
Personal identification card fees.....	85,900
Reinstatement fees - operator licenses	556,200
Scrap tire fund.....	70,700
Snowmobile registration fee revenue	18,100
Transportation administration collection fund.....	18,804,600
Vehicle theft prevention fees	243,400
State general fund/general purpose	\$ 922,900
(4) REGULATORY SERVICES	
Full-time equated classified positions	210.5
Operations—208.5 FTE positions	\$ 21,671,900
Motorcycle safety education administration—2.0 FTE positions	368,500
Motorcycle safety education grants	1,430,000
County clerk education and training fund.....	100,000
GROSS APPROPRIATION	\$ 23,570,400
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees	4,144,800
Driver education provider and instructor fund	72,900
Driver fees	1,978,300
Expedient service fees.....	35,200
Motorcycle safety fund.....	1,798,500
Notary education and training fund.....	100,000
Notary fee fund	314,000
Parking ticket court fines.....	20,700
Personal identification card fees.....	50,500
Reinstatement fees - operator licenses	1,803,000
Transportation administration collection fund.....	10,921,800
Vehicle theft prevention fees	1,330,900
State general fund/general purpose	\$ 999,800
(5) CUSTOMER DELIVERY SERVICES	
Full-time equated classified positions	1,373.5
Branch operations—931.5 FTE positions.....	\$ 72,417,800

	For Fiscal Year Ending Sept. 30, 2010
Central operations—415.0 FTE positions	\$ 40,959,500
Commemorative license plates—24.0 FTE positions.....	2,147,300
Specialty license plates—3.0 FTE positions	1,922,000
Olympic center plate	75,700
Organ donor program	104,100
GROSS APPROPRIATION	\$ 117,626,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund	20,000,000
Federal revenues:	
Federal funds	1,460,000
Special revenue funds:	
Private funds.....	100
Abandoned vehicle fees.....	197,600
Auto repair facilities fees	93,100
Restricted funds	5,750,000
Child support clearance fees	295,500
Driver fees	16,141,900
Expedient service fees.....	2,465,200
Enhanced driver license and enhanced official state personal identification card fund.....	4,226,700
Marine safety fund	1,210,700
Michigan state police auto theft fund.....	118,900
Mobile home commission fees	476,000
Off-road vehicle title fees.....	129,900
Parking ticket court fines.....	1,490,500
Personal identification card fees.....	1,614,400
Reinstatement fees - operator licenses	1,209,600
Snowmobile registration fee revenue	348,100
Transportation administration collection fund.....	58,184,500
Vehicle theft prevention fees	209,500
State general fund/general purpose	\$ 2,004,200
(6) ELECTION REGULATION	
Full-time equated classified positions	36.0
Election administration and services—36.0 FTE positions.....	\$ 4,989,500
Help America vote act.....	350,000
Fees to local units	109,800
GROSS APPROPRIATION	\$ 5,449,300
Appropriated from:	
Federal revenues:	
Federal funds - HAVA-HHS	350,000
State general fund/general purpose	\$ 5,099,300
(7) DEPARTMENTWIDE APPROPRIATIONS	
Building occupancy charges/rent.....	\$ 10,309,100
Worker's compensation.....	304,300
GROSS APPROPRIATION	\$ 10,613,400
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees	135,300
Driver fees	630,800
Expedient service fees.....	26,000
Parking ticket court fines.....	447,800
Transportation administration collection fund.....	5,925,000
State general fund/general purpose	\$ 3,448,500
(8) INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 24,886,500
GROSS APPROPRIATION	\$ 24,886,500

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Appropriated from:	
Special revenue funds:	
Administrative order processing fee.....	\$ 11,100
Auto repair facilities fees.....	179,300
Child support clearance fees.....	16,200
Driver fees.....	1,548,900
Expedient service fees.....	1,024,500
Parking ticket court fines.....	82,600
Personal identification card fees.....	888,200
Reinstatement fees - operator licenses.....	503,600
Transportation administration collection fund.....	16,051,000
Vehicle theft prevention fees.....	170,800
State general fund/general purpose.....	\$ 4,410,300
Sec. 110. DEPARTMENT OF TREASURY	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions.....	9.0
Full-time equated classified positions.....	1,857.5
GROSS APPROPRIATION.....	\$ 1,611,385,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	11,120,700
ADJUSTED GROSS APPROPRIATION.....	\$ 1,600,265,100
Federal revenues:	
Total federal revenues.....	93,579,600
Special revenue funds:	
Total local revenues.....	1,526,400
Total private revenues.....	723,700
Total other state restricted revenues.....	1,352,470,700
State general fund/general purpose.....	\$ 151,964,700
(2) EXECUTIVE DIRECTION	
Full-time equated unclassified positions.....	9.0
Full-time equated classified positions.....	5.0
Unclassified positions—9.0 FTE positions.....	\$ 834,600
Office of the director—5.0 FTE positions.....	843,600
GROSS APPROPRIATION.....	\$ 1,678,200
Appropriated from:	
Federal revenues:	
DED-OPSE, federal lenders allowance.....	20,000
DED-OPSE, higher education act of 1965, insured loans.....	45,000
Special revenue funds:	
State lottery fund.....	191,000
State services fee fund.....	210,500
State general fund/general purpose.....	\$ 1,211,700
(3) DEPARTMENTWIDE APPROPRIATIONS	
Travel.....	\$ 1,215,900
Rent and building occupancy charges - property management services.....	5,657,300
Worker's compensation insurance premium.....	153,000
GROSS APPROPRIATION.....	\$ 7,026,200
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue.....	3,927,700
State general fund/general purpose.....	\$ 3,098,500
(4) LOCAL GOVERNMENT PROGRAMS	
Full-time equated classified positions.....	87.0
Supervision of the general property tax law—60.0 FTE positions.....	\$ 11,629,200
Property tax assessor training—4.0 FTE positions.....	430,400
Local finance—23.0 FTE positions.....	2,402,700
GROSS APPROPRIATION.....	\$ 14,462,300

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Appropriated from:	
Special revenue funds:	
Local - assessor training fees	\$ 830,400
Local - audit charges	606,000
Local - equalization study chargebacks.....	40,000
Local - revenue from local government	50,000
Delinquent tax collection revenue	408,500
Land reutilization fund	4,049,600
Municipal finance fees	491,000
State education tax collections	50,000
State general fund/general purpose	\$ 7,936,800
(5) TAX PROGRAMS	
Full-time equated classified positions	747.0
Customer contact—139.0 FTE positions.....	\$ 12,070,300
Tax compliance—338.0 FTE positions	34,988,700
Tax and economic policy—81.0 FTE positions	9,279,900
Tax processing—151.0 FTE positions.....	14,075,100
Michigan business tax implementation—28.0 FTE positions	5,366,600
Home heating assistance	2,618,100
Bottle bill implementation.....	250,000
Tobacco tax collection—10.0 FTE positions.....	358,900
GROSS APPROPRIATION	\$ 79,007,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG, data/collection services fees	50,900
IDG from MDOT, Michigan transportation fund	6,981,600
IDG from MDOT, state aeronautics fund.....	68,700
Federal revenues:	
HHS-SSA, low-income energy assistance	2,618,100
Special revenue funds:	
Bottle deposit fund	250,000
Delinquent tax collection revenue	58,757,900
Tobacco tax collection and enforcement	358,900
Tobacco tax revenue	591,700
Waterways fund	80,500
State general fund/general purpose	\$ 9,249,300
(6) BANKING AND MANAGEMENT SERVICES	
Full-time equated classified positions	342.0
Program management—10.0 FTE positions.....	\$ 1,070,900
Departmental and budget services—18.0 FTE positions.....	1,748,100
Mail operations—28.0 FTE positions	2,028,400
Unclaimed property—21.0 FTE positions.....	3,534,500
Collections—208.0 FTE positions.....	20,562,600
Finance and accounting—17.0 FTE positions.....	1,124,600
Receipts processing—40.0 FTE positions	3,138,800
GROSS APPROPRIATION	\$ 33,207,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDHS, title IV-D	631,000
IDG, levy/warrant cost assessment fees	1,866,800
IDG, state agency collection fees.....	602,900
IDG, data/collection services fees	206,400
Special revenue funds:	
Delinquent tax collection revenue	19,494,900
Escheats revenue.....	3,534,500
Garnishment fees	546,100

	For Fiscal Year Ending Sept. 30, 2010
Justice system fund.....	\$ 653,800
Treasury fees	43,600
State general fund/general purpose	\$ 5,627,900
(7) FINANCIAL PROGRAMS	
Full-time equated classified positions	225.5
Investments—82.0 FTE positions.....	\$ 16,717,500
Michigan merit award administration—6.0 FTE positions	1,480,000
Common cash and debt management—22.5 FTE positions.....	1,256,800
Public private partnership investment—2.0 FTE positions	1,458,700
Student financial assistance programs—113.0 FTE positions.....	35,852,500
GROSS APPROPRIATION	\$ 56,765,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees	172,100
Federal revenues:	
DED-OPSE, federal lenders allowance	10,550,200
DED-OPSE, higher education act of 1965, insured loans.....	23,485,800
Special revenue funds:	
Defined contribution administrative fee revenue.....	100,000
Michigan merit award trust fund.....	1,915,700
Public private partnership investment fund	1,458,700
Retirement funds	15,657,400
School bond fees	623,800
Treasury fees	1,125,900
State general fund/general purpose	\$ 1,675,900
(8) DEBT SERVICE	
Water pollution control bond and interest redemption.....	\$ 2,257,500
Quality of life bond.....	38,355,100
Clean Michigan initiative	24,418,000
Great Lakes water quality bond	15,146,900
GROSS APPROPRIATION	\$ 80,177,500
Appropriated from:	
Special revenue funds:	
Refined petroleum fund.....	15,514,500
State general fund/general purpose	\$ 64,663,000
(9) GRANTS	
Convention facility development distribution.....	\$ 83,850,000
Senior citizen cooperative housing tax exemption program.....	14,520,000
Commercial mobile radio service payments	27,000,000
Health and safety fund grants.....	9,000,000
Renaissance zone reimbursement	2,992,000
GROSS APPROPRIATION	137,362,000
Appropriated from:	
Special revenue funds:	
Commercial mobile radio service fees	27,000,000
Convention facility development fund.....	83,850,000
Health and safety fund	9,000,000
State general fund/general purpose	17,512,000
(10) STATE LOTTERY	
Full-time equated classified positions	181.0
Lottery operations—181.0 FTE positions	\$ 20,847,800
Promotion and advertising.....	18,622,000
Lottery information technology services and projects	4,614,000
GROSS APPROPRIATION	\$ 44,083,800

	For Fiscal Year Ending Sept. 30, 2010
Appropriated from:	
Special revenue funds:	
State lottery fund.....	\$ 44,083,800
State general fund/general purpose	\$ 0
(11) CASINO GAMING	
Full-time equated classified positions	115.0
Michigan gaming control board	\$ 50,000
Casino gaming control administration—115.0 FTE positions	19,650,600
Casino gaming information technology services and projects	1,361,300
GROSS APPROPRIATION	\$ 21,061,900
Appropriated from:	
Casino gambling agreements.....	539,600
State services fee fund.....	20,522,300
State general fund/general purpose	\$ 0
(12) PAYMENTS IN LIEU OF TAXES	
Commercial forest reserve.....	\$ 2,343,100
Purchased lands	4,386,000
Swamp and tax reverted lands.....	6,227,300
GROSS APPROPRIATION	\$ 12,956,400
Appropriated from:	
Interdepartmental grant revenues:	
Special revenue funds:	
Game and fish protection fund.....	1,787,900
Michigan natural resources trust fund.....	521,200
Michigan state waterways fund.....	140,900
State general fund/general purpose	\$ 10,506,400
(13) MICHIGAN STRATEGIC FUND	
Full-time equated classified positions	155.0
Administration—22.0 FTE positions.....	\$ 2,413,100
Job creation services—127.0 FTE positions	16,301,900
Michigan film office—6.0 FTE positions	721,400
Michigan promotion program.....	5,402,800
Economic development job training grants	4,705,800
Business incubator program	1,300,000
Community development block grants.....	53,000,000
Jobs for Michigan investment program: 21st century jobs fund.....	28,500,000
Arts and cultural grants	2,267,400
GROSS APPROPRIATION	\$ 114,612,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDEQ, air quality fees	81,200
Federal revenues:	
NFAH-NEA, promotion of the arts, partnership agreements	850,000
HUD-CPD, community development block grant	55,466,500
Special revenue funds:	
Private - special project advances	723,700
Industry support fees	5,300
Jobs for Michigan investment fund - returns to fund.....	1,300,000
Michigan film promotion fund	550,000
21st century jobs trust fund.....	28,500,000
State general fund/general purpose	\$ 27,135,700
(14) REVENUE SHARING	
Constitutional state general revenue sharing grants	\$ 622,137,900
Statutory state general revenue sharing grants	314,169,900
County revenue sharing.....	55,291,700
GROSS APPROPRIATION	\$ 991,599,500

	For Fiscal Year Ending Sept. 30, 2010
Appropriated from:	
Sales tax	\$ 991,599,500
State general fund/general purpose	\$ 0
(15) INFORMATION TECHNOLOGY	
Treasury operations information technology services and projects.....	\$ 17,384,600
GROSS APPROPRIATION	\$ 17,384,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund	459,100
Federal revenues:	
DED-OPSE, federal lenders allowance	544,000
Special revenue funds:	
Delinquent tax collection revenue	11,840,700
Tobacco tax revenue	111,900
Michigan merit award trust fund.....	415,100
Retirement funds	666,300
State general fund/general purpose	\$ 3,347,500

**PART 2
PROVISIONS CONCERNING APPROPRIATIONS**

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$2,245,706,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$1,162,762,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE

Fees to local units	\$ 109,800
Motorcycle safety grants	1,144,000
Subtotal.....	\$ 1,253,800

DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption	\$ 14,520,000
Health and safety fund grants.....	9,000,000
Constitutional state general revenue sharing grants	622,137,900
Statutory state general revenue sharing grants	314,169,900
Convention facility development fund distribution	83,850,000
Commercial mobile radio service payments	27,000,000
Renaissance zone reimbursements.....	2,992,000
County revenue sharing payments.....	55,291,700
Airport parking distribution pursuant to section 909	19,590,700
Payments in lieu of taxes	12,956,400
Subtotal.....	\$ 1,161,508,600
TOTAL GENERAL GOVERNMENT	\$ 1,162,762,400

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2009-2010 is estimated at \$25,870,314,200.00 in the 2009-2010 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2009-2010 is estimated at \$15,522,188,500.00. The state-local proportion is estimated at 58.9% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2009-2010 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2009-2010 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2009-2010.

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

Sec. 203. As used in this act:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "CDBG" means community development block grants.
- (c) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.

- (d) "CPI" means consumer price index.
- (e) "DAG" means the United States department of agriculture.
- (f) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (g) "DOL-ETA" means the United States department of labor, employment and training administration.
- (h) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (i) "EEOC" means the United States equal employment opportunity commission.
- (j) "EPA" means the United States environmental protection agency.
- (k) "FTE" means full-time equated.
- (l) "Fund" means the Michigan strategic fund.
- (m) "GF/GP" means general fund/general purpose.
- (n) "HHS" means the United States department of health and human services.
- (o) "HHS-OS" means the HHS office of the secretary.
- (p) "HHS-SSA" means the HHS social security administration.
- (q) "HUD" means the United States department of housing and urban development.
- (r) "HUD-CPD" means the United States department of housing and urban development – community planning and development.
- (s) "IDG" means interdepartmental grant.
- (t) "JCOS" means the joint capital outlay subcommittee.
- (u) "MAIN" means the Michigan administrative information network.
- (v) "MCL" means the Michigan Compiled Laws.
- (w) "MDCH" means the Michigan department of community health.
- (x) "MDEQ" means the Michigan department of environmental quality.
- (y) "MDHS" means the Michigan department of human services.
- (z) "MDELEG" means the Michigan department of energy, labor, and economic growth.
- (aa) "MDMB" means the Michigan department of management and budget.
- (bb) "MDOT" means the Michigan department of transportation.
- (cc) "MDSP" means the Michigan department of state police.
- (dd) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (ee) "MPE" means the Michigan public employees.
- (ff) "MSC" means managerial, supervisory and confidential.
- (gg) "NERE" means nonexclusively represented employees.
- (hh) "PA" means public act.
- (ii) "PACC" means the prosecuting attorneys coordinating council.
- (jj) "SEIU" means service employees international union.

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

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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

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

Sec. 211. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, which provides for a transfer of state general funds into or out of the countercyclical budget and economic stabilization fund, there is appropriated from the countercyclical budget and economic stabilization fund the sum of \$0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2009	2010
Michigan personal income (millions).....	\$393,342	\$329,840
less: transfer payments	71,155	74,386
Subtotal.....	\$268,187	\$255,454
Divided by: Detroit CPI for 12 months ending June 30	2.042	2.057
Equals: real adjusted Michigan personal income	\$131,335	\$124,188
Percentage change		-5.4%
Percentage change less than 0%		-5.4%
Multiplied by: estimated GF/GP revenue in FY 2009-2010 (millions) ...		6,949.7
Equals: countercyclical budget and economic stabilization fund payout calculation for the fiscal year ending September 30, 2010		-\$375.3

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

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

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

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

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 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) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department’s budget. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

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

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

Sec. 221. (1) Each department shall report no later than April 1, 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 a department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

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

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

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

Sec. 227. Departments or agencies in part 1 shall not enter into any no-bid contracts or extensions of contracts greater than \$500,000.00 unless a request for information indicates that there are no other bidders. For bundled contracts, the \$500,000.00 limit only applies to the individual contracts within the bundle.

Sec. 228. Not later than October 15, each department or agency receiving appropriations in part 1 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.

DEPARTMENT OF ATTORNEY GENERAL

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

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

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

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

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

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

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

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

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

Sec. 305. In addition to the funds appropriated in part 1, not more than \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department

of attorney general pursuant to the existing contract between the department of human services, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that, once earned by this state, the funds become state funds.

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

Sec. 307. (1) In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed \$250,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases.

(2) Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, may be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$250,000.00.

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

(2) The funds may be expended for the payment of court judgments or settlements, attorney fees, and litigation expenses not including salaries and support costs, assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

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

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$470,600.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.

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

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

Sec. 312. The department of attorney general shall not receive and expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses associated with a pending legal action.

DEPARTMENT OF CIVIL RIGHTS

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

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

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

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

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

INFORMATION TECHNOLOGY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 582. The department shall provide a report by December 1 of each fiscal year to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the improvements made to Michigan.gov.

Sec. 583. By December 31, the department shall provide a report that lists all change orders and follow-on contracts, greater than \$25,000.00, whether they are bid, exercise options or no-bid, and the amount of each change order or contract extension contract entered into by the department to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 584. The department of information technology shall determine how existing 2-1-1 capacities will be utilized by each state department with community resource information and referral service, including, but not limited to, toll-free help and information lines and comprehensive human service databases. The department of information technology shall report its findings in writing to the senate and house of representatives standing committees on appropriations by July 1, 2010. The report shall include a statement of how each state department has utilized 2-1-1 in its coordination efforts, including any efficiencies, cost savings, and improved service provided to Michigan residents. The report shall also contain recommendations for maintaining a statewide 2-1-1 system.

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

Sec. 586. (1) The state budget director, upon notification to the house and senate appropriations committees, may adjust spending authorization and user fees in the department of information technology budget in order to ensure that the appropriations for information technology in the department budget equal the appropriations for information technology in the budgets for all executive branch agencies.

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

Sec. 587. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of information technology. The department may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be placed on any site pursuant to this section without complying with the respective local zoning codes and local unit of government processes.

Sec. 588. In addition to the funds appropriated in part 1, the funds collected by the department for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products area 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 next succeeding fiscal year.

LEGISLATURE

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

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

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

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

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council. From the funding appropriated, \$51,000.00 shall be paid as annual dues to the national conference of commissioners on uniform state laws.

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

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

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

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

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

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

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

LEGISLATIVE AUDITOR GENERAL

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

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

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

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

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

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and,

when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

DEPARTMENT OF MANAGEMENT AND BUDGET

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 720. The appropriation in part 1 for census tracking/reapportionment shall be equally distributed to the senate and house of representatives and shall be used for purchasing equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan. These funds are designated as work project appropriations, shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$1,200,000.00, and the tentative completion date is September 30, 2013.

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

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

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

Sec. 724. In addition to the funds appropriated in part 1, the funds collected by the department for document and data imaging services, copies, media, and storage, as well as conferences, workshops, and training classes, 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 next succeeding fiscal year.

Sec. 725. The department of management and budget shall compile a report by January 1 pertaining to the salaries of unclassified employees, as well as gubernatorial appointees, within all state departments and agencies. The report shall enumerate each unclassified employee and gubernatorial appointee and his or her annual salary individually. The report shall be distributed to the chairs of the senate and house appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

Sec. 726. (1) From the funds appropriated in part 1 to the department of management and budget, budget and financial management, \$7,105,300.00 shall be used to conduct the Michigan state fair at the state exposition and fairgrounds in the year ending September 30, 2010. Funding shall cover costs of conducting an annual state fair, maintaining the

fairgrounds, and paying the salaries and benefits of the state fair manager and state fair staff. One unclassified FTE position and 9 classified FTE positions are authorized for the purpose of conducting the state fair and managing the state fairgrounds. The funding shall be appropriated as follows:

(a) \$101,000.00 shall be appropriated for the salary of the 1 unclassified FTE position of the manager of the Michigan state fair.

(b) \$6,915,500.00 shall be appropriated for the state fair operations, including the salaries and benefits of the state fair administration staff and the management and operation of the state fair and fairgrounds.

(c) \$88,800.00 shall be appropriated for state fair information technology.

(2) The department of management and budget shall submit a report regarding the Michigan state fair and fairgrounds to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1, 2010. The report shall include information regarding the current status of the state exposition and fairgrounds, progress toward conducting a state fair in 2010, plans on use of fairground property, and actions taken to facilitate the conveyance of the responsibilities to conduct the state fair and manage the fairground property to an independent Michigan state fair authority.

Sec. 726a. The Michigan state fair shall cooperate with a nonprofit agency located in a city with a population of not less than 600,000 for the purpose of employing offenders on parole to refurbish, redevelop, and clean the fairgrounds and structures. The program shall be administered by a Michigan-chartered nonprofit corporation with more than 80 years of experience. The nonprofit corporation must have expertise in creating employment opportunities for parolees.

Sec. 727. (1) The department of management and budget, in conjunction with other principal executive departments and agencies, shall take measures to reduce existing department contractual expenditures by \$20,000,000.00. Measures shall include, but not be limited to, all of the following:

(a) Negotiated reductions in contract pricing.

(b) Negotiated reductions in contracts out for bid as part of a best and final offer.

(c) Negotiated discounts in exchange for prompt payment by the state.

(d) Department-initiated freezes for noncritical, optional-use contracts.

(e) Negotiated reductions in pricing with vendors with excellent performance in exchange for contract amendments.

(f) Termination of underutilized contracts, such as those in place for more than 1 year but not utilized in the current fiscal year.

(2) The department of management and budget shall submit an annual report to the senate and house of representatives standing committees on appropriations, senate and house fiscal agencies, and the state budget director on the amount of contract savings achieved for each department and fund sourcing for those savings.

STATE BUILDING AUTHORITY

Sec. 740. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2010 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2010. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

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

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

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

Sec. 741. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

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

Sec. 742. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

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

Sec. 743. The department of management and budget shall provide to the JCOS, state budget director, and senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

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

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

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

CIVIL SERVICE

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

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

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

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

Sec. 751. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2009 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

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

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

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

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

Sec. 754. No funds appropriated in part 1 shall be used, directly or indirectly, to fund the office of great workplace development.

CAPITAL OUTLAY

Sec. 760. As used in sections 761 through 769:

- (a) "Board" means the state administrative board.
- (b) "Community college" does not include a state agency or university.
- (c) "Department" means the department of management and budget.
- (d) "Director" means the director of the department of management and budget.
- (e) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (f) "State agency" means an agency of state government. State agency does not include a community college or university.
- (g) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.
- (h) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Sec. 761. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 762. A statement of a proposed facility's operating cost shall be included with the facility's program statement and planning documents when the plans are presented to JCOS for approval.

Sec. 763. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department.

(c) Any other items as identified by the department that are necessary to complete the project.

(2) The department retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university.

Sec. 764. (1) The department shall provide the JCOS, state budget director, and the senate and house fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS, state budget director, and the senate and house fiscal agencies for each capital outlay project other than lump sums all of the following:

(a) The account number and name of each construction project.

(b) The balance remaining in each account.

(c) The date of the last expenditure from the account.

(d) The anticipated date of occupancy if the project is under construction.

(e) The appropriations history for the project.

(f) The professional service contractor.

(g) The amount of the project financed with federal funds.

(h) The amount of the project financed through the state building authority.

(i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of each fiscal year, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

(a) The name of the project and account number.

(b) Whether a program statement is approved.

(c) Whether schematics are approved by the department.

(d) Whether preliminary plans are approved by the department.

(e) The name of the professional service contractor.

(4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 765. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

Sec. 766. (1) The director shall allocate lump-sum appropriations made in this act 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. 767. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 768. (1) A site preparation economic development fund is created in the department of management and budget. As used in this section, "economic development sites" means those state-owned sites declared as surplus property pursuant to section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state-owned site qualifies for inclusion in the fund created under this subsection.

(2) Proceeds from the sale of any sites designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for site preparation expenditures, unless otherwise provided by law. The economic development sites authorized in subsection (1) are authorized for sale consistent with state law. Expenditures from the fund are authorized for site preparation activities that enhance the marketable sale value of the sites. Site preparation activities include, but are not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

(3) A cash advance in an amount of not more than \$25,000,000.00 is authorized from the general fund to the site preparation economic development fund.

(4) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) The sites identified as economic development sites under subsection (1).

Sec. 769. (1) Except as otherwise provided in subsection (3) or (4), a university shall not enter into a contract for new construction of a self-funded project estimated to cost at least \$3,000,000.00 unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(2) Except as otherwise provided in subsection (4), a community college shall not enter into a contract for new construction of a self-funded project estimated to cost at least \$2,000,000.00 unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for legislative authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(3) The University of Michigan hospital and health center is not required to obtain JCOS authorization through approval of a use and finance statement defined by a policy adopted by JCOS.

(4) If health or safety concerns warrant, a project may be completed without prior approval of a use and finance statement defined by a policy adopted by JCOS. However, a university or community college shall submit a use and finance statement as soon as possible after the project is completed and the health or safety concerns have abated.

(5) A project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project or for support for future infrastructure enhancements that are necessitated, in whole or in part, by construction of the project. In addition, a project constructed in violation of this section shall result in the loss of any state capital outlay funding for the institution for 2 years and a prohibition of doing self-funded projects of any kind, except for emergencies where health or safety concerns warrant, for 1 year.

(6) A state agency, including the department of military affairs, shall not enter into a contract, including those for a direct federally funded capital outlay construction or major maintenance or remodeling project if the total project is estimated to cost more than \$1,000,000.00 and is to be constructed on state-owned lands unless the project is approved by the department and JCOS through approval of a use and finance statement defined by a policy adopted by JCOS, unless the project is otherwise appropriated in a capital outlay appropriations act. For projects not appropriated in a capital outlay appropriations act that are over \$1,000,000.00, the state agency shall submit a use and finance statement defined by a policy adopted by JCOS. As used in this subsection, "direct federally funded" refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(7) A public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund shall not enter into a contract for new construction estimated to cost more than \$1,000,000.00 unless the project is authorized by JCOS through the approval of a use and finance statement defined by a policy adopted by JCOS. For purposes of this subsection, the use and finance statement for a project shall contain the estimated total construction cost and all associated estimated operating costs. As used in this subsection, "new construction" means land or property acquisition, remodeling or additions, lease or lease purchase, and maintenance projects for the corporate office of the public body corporate described in this subsection.

(8) By not later than April 1 and October 1, each university shall report to the JCOS chairpersons, the senate and house fiscal agencies, and the department all self-funded capital projects commenced for the immediately preceding 6-month period that cost less than \$3,000,000.00 but at least \$1,000,000.00. Community colleges shall also submit these reports for self-funded capital projects that cost less than \$2,000,000.00 but at least \$1,000,000.00.

DEPARTMENT OF STATE

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

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

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

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

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

Sec. 803. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

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

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

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

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

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

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

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

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

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

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

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

Sec. 805a. On October 1 of each year, the department of state shall file a report with the senate and house standing committees on appropriations and the senate and house fiscal agencies. The report shall include details on the activities and success of the department's enforcement and compliance with the help America vote act of 2002, Public Law 107-252.

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

Sec. 807. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 825. From the funds appropriated in part 1 for the department of state, the department shall first use restricted funding for expenditures, when available for that purpose, before using general fund dollars.

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

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

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

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

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

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

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

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

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

(v) Use and rehabilitation of brownfield areas.

Sec. 828. By April 1, 2010, the department of state shall submit to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies a report stating the steps taken and improvements made by the department to address the issues identified by the auditor general report, Report Number 231-0200-08 released May of 2009, entitled performance audit of cash receipts and branch office customer service, department of state.

DEPARTMENT OF TREASURY OPERATIONS

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

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

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

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

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

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

(3) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated all repayments received by the state on loans made from the school bond loan fund not required to be deposited in the school loan revolving fund by or pursuant to MCL 388.984, to the extent determined by the state treasurer, for the payment of debt service, including, without limitation, optional and mandatory redemptions, on bonds, notes or commercial paper issued by the state pursuant to 1961 PA 112.

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

dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

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

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

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

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

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

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

Sec. 905. (1) The department of treasury shall provide copies of the state tax manual via the department's website or provide for sale copies of the tax manuals on a compact disc or an electronically transmitted format. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

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

Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2008. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2009 shall revert to the general fund.

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

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

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

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

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

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

Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2009. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general

government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

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

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

Sec. 925. (1) A public-private partnership investment fund is created in the department of treasury. Public-private partnership investments shall include, but are not limited to, all of the following:

- (a) Capital asset improvements including buildings, land, or structures.
- (b) Energy resource exploration, extraction, generation, and sales.
- (c) Financial and investment incentive opportunities.
- (d) Infrastructure construction, maintenance, and operation.
- (e) Public-private sector joint ventures that provide economic benefit to an area or to the state.

(2) The state treasurer and the state budget director shall determine whether or not a specific public-private partnership investment opportunity qualifies for funding from the fund created under subsection (1).

(3) Investment development revenue, including a portion of the proceeds from the sale of any public-private partnership investment designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for administration, development, financing, marketing, and operating expenditures associated with public-private partnerships, unless otherwise provided by law. Public-private partnership investments authorized in subsection (1) are authorized for public or private operation or sale consistent with state law. Expenditures from the fund are authorized for investment purposes as designated in subsection (1) to enhance the marketable value of each investment.

(4) An annual report shall be transmitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the state budget office not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) Public-private partnership investments as identified under subsection (1).

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

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

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

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

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

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings or other investment income during

the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

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

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

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

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

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

Sec. 938. It is the intent of the legislature that the department of treasury shall work with local units of government to improve the system for payments in lieu of taxes on purchased lands and report on their efforts by January 1.

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 940. The department of treasury may expend revenue received under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, for necessary salaries and wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 942. The department shall report on the efficacy of increased personnel for field collection provided for in part 1. The report shall contain the methodology used to generate additional revenue, the amount of additional revenue received as a direct result of the increased field staff, and an evaluation of whether this program is worth sustaining within the department. The report shall be submitted to the state budget director, the senate and house appropriations subcommittees on general government, and the senate and house fiscal agencies by September 30.

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

Sec. 944. If the department hires a pension plan consultant using any of the funds appropriated in part 1, the department shall, within 30 days, forward any report provided to the department by that consultant to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

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

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

Sec. 947. (1) The department of treasury shall submit quarterly progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

(2) Of the funds appropriated in part 1, \$500,000.00 shall be used for the principal residence exemption compliance program. The department shall submit quarterly progress reports that include the number of exemptions denied and

the revenue received under this program. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2010. Revenue generated to the state from the principal residence exemption compliance program shall be used to reimburse the state general fund for the \$500,000.00 appropriation prior to any other allocation.

Sec. 948. By December 15, the department of treasury shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of tax returns, to include state income tax returns, single business tax returns, and Michigan business tax returns filed online by Michigan residents in the immediately preceding fiscal year.

Sec. 949. The department shall explore the possibility of partnering with private entities to allow private entities to obtain machinery for applying tobacco tax stamps and to produce tobacco tax stamps. Any tobacco tax stamps purchased or otherwise acquired by the department from a partnership with a private entity shall contain a unique nonrepeating alphanumeric code that can be printed on demand and read by a scanner or similar device and that identifies the taxed product. The coded information shall be embedded in each stamp and shall be protected by encryption. Each code shall contain the name and address of the wholesaler or the entity affixing the stamp, the date the department approved the stamp order, the stamp jurisdiction, the number of cigarettes in the pack, and the dominated value of the stamp. The department shall provide a report on possible partnerships with private entities as set forth in this section to the senate and house fiscal agencies and to the senate and house appropriations subcommittees on general government appropriations by November 1, 2009. The department shall give partnering preference to Michigan-based companies.

REVENUE SHARING

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

(2) The funds appropriated in part 1 for statutory revenue sharing shall be distributed to cities, villages, and townships so that the combined distribution, under section 10 of article IX of the state constitution of 1963, and statutory revenue sharing, as set forth in this subsection, shall be the lesser of 88.94%, or the percentage determined under this subsection, of the total combined distribution under section 10 of article IX of the state constitution of 1963 during the 2008-2009 state fiscal year, and the statutory distribution received under section 950 of 2008 PA 261, as amended by Executive Order No. 2009-22 and any subsequent legislation, during the 2008-2009 state fiscal year. The percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 for the 2009-2010 state fiscal year and \$314,169,900.00 by \$936,307,700.00 and then subtracting 0.1106. Undistributed funds shall lapse to the general fund.

Sec. 955. (1) For each county that the amount required to be distributed pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, during state fiscal year 2009-2010 exceeds the revenue credited to its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, less the total of all amounts authorized to be expended from the fund through September 30, 2009, there is appropriated to each county 88.94% of an amount equal to the sum of the following:

(a) The amount distributed to each county during the 2008-2009 state fiscal year pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and section 955 of 2008 PA 261.

(b) For each county authorized to make an expenditure from its revenue sharing reserve fund during the 2008-2009 state fiscal year, the amount each county was authorized to expend during the 2008-2009 state fiscal year from its revenue sharing reserve fund, pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, less any amount from subsection (1)(a).

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

LOTTERY

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

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

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

CASINO GAMING

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

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

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

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

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

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

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

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

Sec. 975. From the balance in the state services fee fund as of the close of fiscal year 2008-2009, \$1,600,000.00 is appropriated and shall be transferred to the state general fund.

MICHIGAN STRATEGIC FUND

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

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

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

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

(2) Not more than \$600,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. Not more than 10% of the total grant award may be expended by a recipient for administration costs.

(3) No funds appropriated in part 1 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers.

(4) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state-sponsored manufacturing technology center, a for-profit business, or a consortium consisting of any combination of the eligible entities listed in this section.

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

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

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

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

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

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

- (e) A budget which relates to the proposed activities and various program components.
 - (7) Priority in the fund's awarding of grants shall be based on the following criteria:
 - (a) Demonstrated need for the type of training offered.
 - (b) Creation or retention of high wage and high skilled level jobs within a predetermined time period. If the employer does not create or retain the number of jobs specified within the predetermined time period, the employer shall reimburse the state for the entire direct grant awarded under this program, prorated to the number of actual jobs created or trained compared to the number in the original jobs identified in the grant application. The number of jobs created and retained will be verified by the employer via audit after the training is completed.
 - (c) Other criteria determined by the fund to be important.
 - (8) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the economic development job training program grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.
 - (9) For training delivered to incumbent workers, the employer receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.
 - (10) Grant funds shall be expended on a cost reimbursement basis.
 - (11) For grants to for-profit businesses, if the employer does not create or retain the number of jobs specified in the grant agreement within the time period determined by the fund, the employer shall reimburse the fund for the entire grant awarded, reduced by the ratio of the number of jobs that were actually created or retained to the number of jobs to be created or retained under the grant agreement. The number of actual jobs created and retained will be certified by the employer and verified via audit after the training is completed.
 - (12) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit. Costs disallowed under subsection (7)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.
 - (13) The fund shall provide to the state budget director and the fiscal agencies by November 1 of each year a report on the economic development job training program grants. The report shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:
 - (a) The amount and recipient of each grant or contract.
 - (b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.
 - (c) The names, county location, and total number of employees of all business organizations for whom training is or will be provided.
 - (d) The matching funds, if any, to be provided by a business organization.
 - (e) The number of jobs created as a result of the grant.
 - (14) Of the funds appropriated in part 1 for economic development job training grants, \$250,000.00 shall be allocated to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association, for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.
- Sec. 1003. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:
- (a) An applicant must match state funds on a 1:1 basis.
 - (b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.
 - (c) The Michigan economic development corporation shall administer the Michigan growth capital fund.
 - (d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this section.
 - (e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the senate appropriations subcommittee on economic development, the house appropriations subcommittee on general government, the senate and house fiscal agencies, and the state budget office by January 31.
- Sec. 1004. In addition to the appropriations in part 1, Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for

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

Sec. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times.", "The Upper Hand", and "Pure Michigan" copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

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

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

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

(a) Travel Michigan, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan promotion program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created with these funds.

(b) Business attraction, retention, and growth, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan business marketing program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created as a result of this appropriation.

- (c) Business services.
- (d) Community development block grants.
- (e) Strategic fund administration.
- (f) Renaissance zones.
- (g) 21st century investment program.
- (h) Business and clean air ombudsman.
- (i) Economic development job training program grants.
- (j) Any other programs of the fund.

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

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

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

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

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

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

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

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

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

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

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.

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

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

Sec. 1014. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination of these or accrued interest originally distributed as part of the core communities fund, created by 2000 PA 291, shall be received, held, and applied by the fund for the purposes described in 2000 PA 291.

(2) The fund shall provide an annual report on the status of this fund which includes information that details the awards made. The report shall be provided to the appropriations subcommittees on general government, the fiscal agencies, and the state budget office by January 31.

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

Sec. 1023. Tourism promotion shall include, but is not limited to, the Mackinac Island state park, Michigan state historic parks, cultural, vacation, recreational, leisure, hunting-related, motor sports entertainment-related, and agriculture-related travel across this state that includes activities that promote tourism in all 4 seasons.

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

Sec. 1027. Of the funds appropriated in part 1 for the jobs for Michigan investment program: 21st century jobs fund, \$3,000,000.00 may be allocated to Lakeshore Advantage for the same purposes as the fiscal year 2007-2008 allocation.

Sec. 1032. (1) The Michigan film office shall report to the subcommittees and the fiscal agencies by March 31 on the status of the film incentives. The department of treasury and the Michigan strategic fund shall provide the Michigan film office with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

- (a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.
- (b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.
- (c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.
- (d) The amount of any tax credit claimed under section 367 of the income tax act of 1967, 1967 PA 281, MCL 206.367.

(e) Any tax credits provided for film and digital media production under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(f) Loans to an eligible production company or film and digital media private equity fund authorized under section 88d(3), (4), and (5) of the Michigan strategic fund act, 2005 PA 225, MCL 125.2088d.

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

(a) For each tax credit, the number of contracts signed, the projected expenditures qualifying for the credit, and the estimated value of the credits. For loans, the number of loans made under each section, the interest rate of those loans, the loan amount, the percent of the projected budget of each production financed by those loans, and the estimated interest earnings from the loan.

(b) For credits authorized under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455, for productions completed by December 31, the expenditures of each production eligible for the credit that has filed a request for certificate of completion with the film office, broken down into expenditures for goods, services, or salaries and wages and showing separately expenditures in each local unit of government, including expenditures for personnel, whether or not they were made to a Michigan entity, and whether or not they were taxable under the laws of this state. For loans, the report shall include the number of loans that have been fully repaid, with principal and interest shown separately, and the number of loans that are delinquent or in default, and the amount of principal that is delinquent or is in default.

(c) For each of the tax credit incentives and loan incentives listed in subsection (1), a breakdown for each project or production showing each of the following:

- (i) The number of temporary jobs created.

(ii) The number of permanent jobs created.
 (iii) The number of persons employed in Michigan as a result of the incentive, on a full-time equated basis.
 (3) For any information not included in the report due to the provisions of sections 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, the report shall do all of the following:

(a) Indicate how the information would describe the commercial and financial operations or intellectual property of the company.

(b) Attest that the information has not been publicly disseminated at any time.

(c) Describe how disclosure of the information may put the company at a competitive disadvantage.

(4) Any information not disclosed due to the provisions of sections 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, shall be presented at the lowest level of aggregation that would no longer describe the commercial and financial operations or intellectual property of the company.

Sec. 1033. The fund shall make available to the public the minutes of the Michigan film office advisory council.

Sec. 1034. (1) From the funds appropriated in part 1 for the business incubator program, the Michigan strategic fund shall award a grant to 1 high-performance business incubator in each of the following counties or cities:

(a) Houghton County.

(b) Ingham County.

(c) Isabella County.

(d) Kalamazoo County.

(e) Kent County.

(f) Macomb County.

(g) Muskegon County.

(h) Oakland County.

(i) Washtenaw County.

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

(2) Grant funding awarded under this section may be used to fund satellite locations, as determined by the Michigan strategic fund.

(3) Eligible recipients for these awards must be operational on October 1, 2009 and submit a comprehensive business plan that demonstrates sustainable operating capacity.

(4) Of the appropriation in part 1 for the business incubator program, \$250,000.00 shall be awarded to an eligible business incubator within a city with a population greater than 750,000 and \$250,000.00 shall be awarded to an eligible business incubator within Oakland County. From the appropriation in part 1 for the business incubator program, funding shall be awarded first to these 2 incubators; any remaining funding shall be prorated and awarded in equal amounts to eligible business incubators in the remaining counties. No unit of local government listed above shall receive more than 1 award.

(5) Awards shall be announced by March 31, 2010.

Sec. 1035. (1) The Michigan council of arts and cultural affairs shall develop an arts and cultural grant program that takes into consideration the reduced level of funding while also maintaining equitable geographic distribution to the extent possible. The new program shall use the past arts and cultural grant program as a guideline for creating this program. The council shall do the following:

(a) Establish guidelines and prepare a report on the proposed guidelines to the subcommittee chairs and fiscal agencies by December 31.

(b) Be prepared to distribute awards to eligible recipients by April 1.

(2) Up to \$100,000.00 from the appropriation in part 1 may be used for the administration of this grant program.

(3) The council shall report to the legislature and the fiscal agencies a list of all grant recipients and the total award, sorted by county. The report shall be provided to each state legislator within 1 business day of the announcement of annual awards by the Michigan council of arts and cultural affairs.

REVENUE STATEMENT

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

BUDGET RECOMMENDATIONS BY OPERATING FUNDS

(Amounts in millions)

Fiscal Year 2009-2010

Fund	Beginning Unreserved	Estimated Revenue	Ending Balance	
				Fund Balance
OPERATING FUNDS				
General fund/general purpose.....	0110	0.0	8,541.7	0.0
General fund/special purpose.....		446.6	17,451.8	482.6

Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	2.2	0.1	2.3
Game and fish protection	0112	4.1	61.4	3.3
Michigan employment security act administration.....	0113	10.2	12.5	8.2
State aeronautics	0114	2.2	132.6	1.9
Michigan veterans' benefit trust	0115	0.0	2.3	0.0
State trunkline	0116	(6.2)	1,808.9	(6.9)
Michigan state waterways	0117	1.3	28.6	0.0
Blue Water Bridge.....	0118	6.2	15.3	6.9
Michigan transportation	0119	0.0	1,819.9	0.0
Comprehensive transportation	0120	6.3	299.7	(4.3)
School aid.....	0122	0.0	12,750.9	0.0
Game and fish protection trust.....	0124	6.0	14.3	6.0
State park improvement	0125	0.0	41.1	0.0
Forest development	0126	3.4	29.7	0.7
Michigan civilian conservation corps endowment.....	0128	0.3	0.0	0.0
Michigan natural resources trust	0129	32.4	60.2	31.2
Michigan state parks endowment.....	0130	6.1	12.1	4.1
Safety education and training.....	0131	6.2	9.3	7.1
Bottle deposit	0136	0.0	12.6	0.0
State construction code	0138	0.9	15.0	4.3
Children's trust.....	0139	1.0	3.8	0.5
State casino gaming	0140	1.8	34.8	1.8
Homeowner construction lien recovery	0141	0.8	1.0	(1.2)
Michigan nongame fish and wildlife	0143	0.1	0.3	0.0
Michigan merit award trust.....	0154	0.0	191.7	0.0
Outdoor recreation legacy	0162	(0.2)	2.3	(0.2)
Off-road vehicle account.....	0163	1.7	3.6	0.4
Snowmobile account	0164	2.1	10.1	0.0
Silicosis dust disease and logging.....	0870	2.1	1.3	1.7
Utility consumer representation.....	0893	3.5	1.2	3.6
TOTALS		\$541.1	\$43,370.1	\$559.5

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

John Pappageorge
 Mark Jansen
 Conferees for the Senate

George Cushingberry, Jr.
 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. 480

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

Protests

Senators Cherry, Jacobs, Clark-Coleman, Scott, Brater and Basham, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 245.

Senator Cherry moved that the statement she made during the discussion of the conference report be printed as her reasons for voting “no.”

The motion prevailed.

Senator Cherry’s statement, in which Senators Jacobs, Clark-Coleman, Scott, Brater and Basham concurred, is as follows:

I rise in opposition to this bill. As the good chairman said, it is a difficult budget. There are some major changes in it, and while there is a little bit of restoration to revenue sharing, it certainly isn’t enough. It also includes, as the chair talked about, some revenues which may or may not come to this state, and so there are some serious issues with this budget.

I really rise in opposition to this bill because we need to make our actions match our words when it comes to public safety. It is not good enough to say we care about keeping our neighborhoods safe and then take away the resources that keep police and firefighters on the street. We have about 4,000 less police officers and firefighters in Michigan than we did at the start of this decade. With the \$158 million reduction in revenue sharing in this plan before us, we’ll lose hundreds more.

It’s not good enough to say that we want to attract more businesses to our state and keep talented people in our state, then slash the funding that will make our communities a place people want to live. We have cut more than \$625 million—over \$500 million from local revenues starting in 2001—33 percent. What employer wants to locate in a place where they won’t be sure that the police can keep an eye on their establishment or that firefighters will be on the scene quick enough if, God forbid, the place catches on fire?

I know the reductions are slightly less than the original levels that the Senate passed out of here, and I appreciate the effort. But it is an effort, and it is just not good enough to keep our people safe and ensure that we have the kind of state ready to make a long-term economic recovery.

Make no mistake, if colleagues on the other side of the aisle go along with these cuts to public safety, they own them. You will be responsible when police are laid off; when people don’t feel safe walking down the streets they used to feel safe with; and when crime rates start rising. You will be the ones to blame when homes burn down and there aren’t enough firefighters on call to get there in time.

If you can live with that, that’s fine. But I can’t, so I am voting against this shortsighted budget, and I ask my colleagues to do the same.

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

The motion prevailed.

Senator Pappageorge’s statement is as follows:

This bill, the general government bill, concerns nine departments, revenue sharing, debt service, and the Strategic Fund. It is a little over \$3 billion, and the thing people have been asking about most is revenue sharing. The original targets for revenue sharing were a cut of 13.4 percent to cities, villages, and townships and 14.3 percent to counties.

What we have been able to do is reduce that cut to 11.1 percent. In order to do that, we had some reform in there, and reform, colleagues, is really important to our future. Even if the economy should start turning around next year, it will be some time between 2020 and 2025 before we have a revenue base equal to what we had a few years ago. Whether that will be 2020 or 2025 depends on our willingness to reform the system.

The particular reform in this budget has to do with going to permanent license plates. Permanent license plates will save money. For example, you will not have to get that little tab anymore. The tab is useless anyhow. It was fine when everybody got their tags on January 1, but now if your birthday is in January, you have a yellow tab on your car. If your birthday is in November, you still have the white one, so it doesn’t say anything. Besides, it is the LEIN system that is used by police to decide whether or not you are OK with your license.

So, simply, all you will have to do is pay your bill like you would any other bill when you get the invoice. You can pay either by phone, Internet, mail, or go to the office. That means that there will be less need for state offices. Michigan has the second-highest number of Secretary of State offices in the country—more than California. Only Texas has more, and some of their offices are only open one day a week.

The point in all of this is we can’t do anything without a bill, and we will be dealing with that bill later. Now if we do not have the will to make this reform, then understand that the Secretary of State will be short \$1.4 million, and we will have to do something in a supplemental for that money.

So I would hope that everyone will vote “yes” on this budget. It is a tough budget, but remember, on September 29, a “no” vote says you want a 100 percent cut because you don’t have an alternative in the form of a bill.

Senator Hardiman submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 248, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Recommends:

First: That the 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 human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

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

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY

Full-time equated classified positions	10,905.8	
Unclassified positions	6.0	
Total full-time equated positions	10,911.8	
GROSS APPROPRIATION		\$ 5,941,404,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,426,600
ADJUSTED GROSS APPROPRIATION		\$ 5,938,978,100

	For Fiscal Year Ending Sept. 30, 2010
Federal revenues:	
Federal - FMAP stimulus	\$ 17,314,900
Federal - Food assistance administration (ARRA).....	5,642,900
Total federal revenues.....	4,951,052,800
Special revenue funds:	
Total private revenues.....	10,184,700
Total local revenues.....	37,498,800
Total other state restricted revenues.....	57,015,400
State general fund/general purpose	\$ 860,268,600
Sec. 102. EXECUTIVE OPERATIONS	
Total full-time equated positions	621.7
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	615.7
Unclassified salaries—6.0 FTE positions.....	\$ 647,900
Salaries and wages—244.7 FTE positions	15,480,600
Contractual services, supplies, and materials.....	5,697,700
Demonstration projects—9.0 FTE positions	9,424,100
Inspector general salaries and wages—99.0 FTE positions	5,868,000
Electronic benefit transfer EBT.....	6,491,500
Michigan community service commission—15.0 FTE positions	9,101,600
AFC, children’s welfare and day care licensure—222.0 FTE positions	23,562,600
State office of administrative hearings and rules	5,559,300
Bridges support staff—26.0 FTE positions	2,499,600
GROSS APPROPRIATION	\$ 84,332,900
Appropriated from:	
Federal revenues:	
Total federal revenues.....	57,927,400
Special revenue funds:	
Total private revenues.....	3,199,600
Total local revenues.....	175,000
Licensing fees.....	516,300
Health systems fees and collections.....	216,100
Total other state restricted revenue.....	25,000
State general fund/general purpose	\$ 22,273,500
Sec. 103. CHILD SUPPORT ENFORCEMENT	
Full-time equated classified positions	198.7
Child support enforcement operations—192.7 FTE positions	\$ 23,322,700
Legal support contracts	138,753,600
Child support incentive payments	32,409,600
State disbursement unit—6.0 FTE positions	17,520,900
GROSS APPROPRIATION	\$ 212,006,800
Appropriated from:	
Federal revenues:	
Total federal revenues.....	195,481,000
Special revenue funds:	
Total local revenues.....	340,000
Total restricted revenues.....	3,395,000
State general fund/general purpose	\$ 12,790,800
Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY	
Full-time equated classified positions	17.0
Bureau of community action and economic opportunity—17.0 FTE positions	\$ 1,971,600
Community services block grant.....	24,718,000
Weatherization assistance	18,418,700
GROSS APPROPRIATION	\$ 45,108,300
Appropriated from:	
Federal revenues:	
Total federal revenues.....	45,108,300

	For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:	
State general fund/general purpose	\$ 0
Sec. 105. ADULT AND FAMILY SERVICES	
Full-time equated classified positions 40.7	
Executive direction and support—5.0 FTE positions	\$ 520,300
Guardian contract	600,000
Adult services policy and administration—6.0 FTE positions	639,600
Office of program policy—29.7 FTE positions	4,833,900
Employment and training support services	14,735,000
Wage employment verification reporting	848,700
Urban and rural empowerment/enterprise zones	100
Nutrition education	30,000,000
Marriage initiative	2,103,700
Fatherhood initiative	1,466,200
Crisis prevention and elder law of Michigan food for the elderly project	200,000
GROSS APPROPRIATION	\$ 55,947,500
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION	\$ 55,947,500
Federal revenues:	
Total federal revenues	46,484,300
Special revenue funds:	
State general fund/general purpose	\$ 9,463,200
Sec. 106. CHILDREN'S SERVICES	
Full-time equated classified positions 187.3	
Salaries and wages—44.2 FTE positions	\$ 2,916,400
Contractual services, supplies, and materials	936,300
Foster care payments	159,120,600
Foster care - children with serious emotional disturbance waiver	1,769,000
Adoption subsidies	230,947,000
Adoption support services—7.2 FTE positions	16,395,100
Youth in transition—2.0 FTE positions	18,053,300
Interstate compact	231,600
Children's benefit fund donations	21,000
Teenage parent counseling—2.3 FTE positions	3,000,000
Families first	18,450,700
Strong families/safe children—3.0 FTE positions	10,656,100
Child protection and permanency—37.5 FTE positions	18,847,100
Zero to three	3,843,800
Family group decision making	2,300,000
Family reunification program	3,977,100
Family preservation and prevention services administration—14.5 FTE positions	2,050,200
Children's trust fund administration—12.0 FTE positions	1,053,600
Children's trust fund grants	3,825,100
ECIC, early childhood investment corporation	14,623,000
Attorney general contract	3,374,300
Prosecuting attorney contracts	2,561,700
Child protection—5.0 FTE positions	813,100
Subsidized guardianship program	4,575,000
Domestic violence prevention and treatment—14.6 FTE positions	14,797,800
Rape prevention and services	2,600,000
Title IV-E compliance and accountability office—5.0 FTE positions	397,800
Child welfare institute—40.0 FTE positions	5,943,800
Communities in schools	200,000
Child care fund in-home care incentive program	3,750,000
GROSS APPROPRIATION	\$ 552,030,500

For Fiscal Year
Ending Sept. 30,
2010

Appropriated from:	
Interdepartmental grant revenues:	
IDG from DCH - crime victim's fund.....	\$ 1,300,000
ADJUSTED GROSS APPROPRIATION	\$ 550,730,500
Federal revenues:	
Federal - FMAP stimulus	16,196,800
Total other federal revenues	360,857,100
Special revenue funds:	
Private - children's benefit fund donations.....	21,000
Private - collections	3,150,000
Local funds - county chargeback	9,975,800
Compulsive gambling prevention fund.....	1,040,000
Children's trust fund.....	3,822,700
State general fund/general purpose	\$ 155,667,100
Sec. 107. CHILDREN'S RIGHTS SETTLEMENT	
Full-time equated classified positions	773.0
Children's services administration—49.0 FTE positions	\$ 3,730,100
Children's services contractual services, supplies, and materials	30,600
Settlement monitor	1,625,800
Needs assessment	4,000,000
Child welfare field staff—718.0 FTE positions	37,522,600
Child welfare field staff contractual services, supplies, and materials	383,400
Foster care payments.....	35,222,100
Child care fund.....	7,421,700
Adoption subsidies	4,754,700
Adoption support services	15,359,900
Youth in transition.....	276,200
Travel.....	450,500
Payroll taxes and fringe benefits	23,267,400
Bureau of children and adult licensing—6.0 FTE positions	540,600
Information technology	2,704,200
Rent	1,558,400
GROSS APPROPRIATION	\$ 138,848,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	44,754,200
Special revenue funds:	
Local funds - county chargeback	4,708,700
State general fund/general purpose	\$ 89,385,300
Sec. 108. JUVENILE JUSTICE SERVICES	
Full-time equated classified positions	248.5
W.J. Maxey training school—107.0 FTE positions.....	\$ \$13,447,100
Bay pines center—49.0 FTE positions.....	5,279,500
Nokomis challenge center	1,246,200
Shawono center—48.0 FTE positions	5,104,200
Community juvenile justice centers	687,000
Child care fund.....	209,450,300
Child care fund administration—5.8 FTE positions.....	791,400
County juvenile officers	3,894,700
Community support services—2.0 FTE positions	1,396,600
Juvenile justice, administration and maintenance—31.7 FTE positions	4,232,800
W.J. Maxey memorial fund	45,000
Juvenile accountability block grant—1.0 FTE position	1,300,400
Committee on juvenile justice administration—4.0 FTE positions.....	519,500
Committee on juvenile justice grants	5,000,000
GROSS APPROPRIATION	\$ 252,394,700

For Fiscal Year
Ending Sept. 30,
2010

Appropriated from:	
Federal revenues:	
Total federal revenues.....	\$ 125,832,300
Special revenue funds:	
Total private revenues.....	45,000
Local funds - state share education funds.....	2,523,200
Local funds - county chargeback	11,111,500
State general fund/general purpose	\$ 112,882,700

Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions	8,225.5	
Field staff, salaries and wages—8,004.7 FTE positions		\$ 416,498,900
Contractual services, supplies, and materials.....		17,335,200
Medical/psychiatric evaluations.....		6,300,000
Donated funds positions—156.0 FTE positions.....		12,440,500
Training and program support—23.0 FTE positions.....		3,667,500
Food stamp reinvestment—31.8 FTE positions.....		2,500,000
Wayne County gifts and bequests		100,000
Volunteer services and reimbursement		1,294,900
SSI advocates—10.0 FTE positions		2,190,500
GROSS APPROPRIATION		\$ 462,327,500

Appropriated from:

Federal revenues:	
Federal - FMAP stimulus	697,300
Food assistance administration - ARRA	3,526,800
Total other federal revenues	297,338,800

Special revenue funds:

Local funds.....	6,372,500
Private funds - donated funds.....	739,400
Private funds - Wayne County gifts	100,000
Private funds - hospital contributions.....	2,929,700
Supplemental security income recoveries.....	702,000
State general fund/general purpose	\$ 149,921,000

Sec. 110. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions	572.4	
Disability determination operations—546.9 FTE positions		\$ 83,849,200
Medical consultation program—21.4 FTE positions.....		2,959,500
Retirement disability determination—4.1 FTE positions.....		835,000
GROSS APPROPRIATION		\$ 87,643,700

Appropriated from:

Interdepartmental grant revenues:

IDG from DMB - office of retirement systems.....	1,126,600
ADJUSTED GROSS APPROPRIATION	\$ 86,517,100

Appropriated from:

Federal revenues:

Total federal revenues.....	83,801,200
Special revenue funds:	
State general fund/general purpose	\$ 2,715,900

Sec. 111. CENTRAL SUPPORT ACCOUNTS

Rent	\$ 37,013,400
Occupancy charge.....	9,180,700
Travel.....	5,630,500
Equipment.....	227,300
Worker's compensation.....	3,190,200
Advisory commissions.....	17,900
Payroll taxes and fringe benefits	267,558,500
GROSS APPROPRIATION	\$ 322,818,500

For Fiscal Year
Ending Sept. 30,
2010

Appropriated from:	
Federal revenues:	
Federal - FMAP stimulus	\$ 420,800
Food assistance administration (ARRA)	2,116,100
Total other federal revenues	212,126,500
Special revenue funds:	
Local funds - county chargeback	2,292,100
State general fund/general purpose	\$ 105,863,000
Sec. 112. PUBLIC ASSISTANCE	
Full-time equated classified positions	27.0
Family independence program	\$ 379,058,900
Family independence program supplement	5,583,500
State disability assistance payments.....	35,952,000
Food assistance program benefits.....	2,353,393,000
Food assistance program benefits (ARRA)	343,414,000
State supplementation.....	59,843,500
State supplementation administration.....	2,477,100
Low-income home energy assistance program.....	116,451,600
Food bank funding.....	1,345,000
Homeless programs	11,646,700
Multicultural integration funding	1,815,500
Indigent burial	4,709,300
Emergency services local office allocations.....	21,615,500
Regulated day care services	127,184,700
Unregulated day care services.....	111,570,400
Day care services grants and contracts	3,275,000
Day care training, technology and oversight—20.0 FTE positions	2,478,200
Refugee assistance program—7.0 FTE positions	17,717,500
GROSS APPROPRIATION	\$ 3,599,531,400
Appropriated from:	
Federal revenues:	
Federal supplemental nutrition assistance revenues (ARRA)	343,414,000
Child care and development block grant (ARRA)	21,076,500
Total federal revenues.....	3,019,990,600
Special revenue funds:	
Child support collections.....	29,531,700
Supplemental security income recoveries.....	14,156,600
Public assistance recoupment revenue.....	3,610,000
State general fund/general purpose	\$ 167,752,000
Sec. 113. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 81,783,300
Child support automation	46,631,000
GROSS APPROPRIATION	\$ 128,414,300
Appropriated from:	
Federal revenues:	
Total federal revenues.....	96,860,200
Special revenue funds:	
State general fund/general purpose	\$ 31,554,100
Sec. 114. FEDERAL ARRA STIMULUS	
Food bank funding (ARRA).....	\$ 100
Elder law of Michigan food for the elderly (ARRA).....	100
Eligibility specialists (ARRA).....	100
Day care services (ARRA).....	100
GROSS APPROPRIATION	\$ 400
Appropriated from:	
Federal revenues:	
Federal supplemental nutrition assistance revenues (ARRA)	300

	For Fiscal Year Ending Sept. 30, 2010
Child care and development fund (ARRA)	\$ 100
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 \$917,284,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$98,688,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

Child care fund.....	\$ 92,880,400
County juvenile officers	3,648,400
State disability assistance payments.....	\$ 2,159,200
TOTAL.....	\$ 98,688,000

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "CFSR" means child and family services review.
- (c) "Children's rights settlement agreement" means the settlement agreement entered in the case of Dwayne B. vs. Granholm, docket No. 2:06-cv-13548 in the United States district court for the eastern district of Michigan.
- (d) "Current fiscal year" means fiscal year ending September 30, 2010.
- (e) "DCH" means the department of community health.
- (f) "Department" means the department of human services.
- (g) "Director" means the director of the department of human services.
- (h) "DMB" means the department of management and budget.
- (i) "ECIC" means early childhood investment corporation.
- (j) "FMAP" means federal medical assistance percentage.
- (k) "FTE" means full-time equated.
- (l) "IDG" means interdepartmental grant.
- (m) "JET" means jobs, education, and training program.
- (n) "Previous fiscal year" means fiscal year ending September 30, 2009.
- (o) "RSDI" means retirement survivors disability insurance.
- (p) "SSI" means supplemental security income.
- (q) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (r) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.
- (s) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (t) "VA" means veterans affairs.

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

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

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

Sec. 207. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining

agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

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

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

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

Sec. 211. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

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

(2) The department's ability to satisfy appropriation fund sources in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years. The department shall submit a written report to the chairpersons of the senate and house appropriations subcommittees on the department budget that identifies all reimbursements, refunds, adjustments, and settlements from prior years to be used to satisfy appropriation fund sources.

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

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

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

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the current fiscal year. With regard to federal appropriations, for each program line item funded by no more than 3 federal funding sources, the department shall provide estimates of the allocation of the appropriation for each specific federal funding source.

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

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

Sec. 216. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on

or before March 1 of the current fiscal year a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2010. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

- (a) The number of FTEs to be funded from the line item.
- (b) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item.
- (c) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the line item in the department budget for the current fiscal year, if different from the amount in subdivision (b).
- (d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.
- (e) The gross salary and wage expenditures for the line item during the previous fiscal year and the estimated salary and wage expenditures for the line item during the current fiscal year.
- (f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

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

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

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

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

Sec. 218. (1) By February 15 of the current fiscal year, the department shall prepare an annual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices.

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

Sec. 219. 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 the department to attend or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

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

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

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

(3) As used in this section:

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

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

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

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

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

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

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

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

Sec. 270. (1) The department shall continue to implement a plan to provide client-centered results-oriented foster care programs.

(2) The department shall obtain data from its systems on a quarterly basis for the measures listed in subdivisions (a) to (g). This data shall report on children supervised by the department and by private agencies. The measures are described as follows:

(a) Placement stability. Children shall have no more than 2 placement settings using the following minimum acceptable standards:

(i) Eighty-six percent or more of children in care for 365 days or less will have no more than 2 placement settings.

(ii) Seventy-three percent or more of children in care for not less than 366 days and not more than 730 days will have no more than 2 placement settings.

(iii) Forty-five percent or more of children in care for 731 days or more will have no more than 2 placement settings.

(b) Timeliness of reunification. No fewer than 43% of children in care for 30 days or more shall be discharged from foster care to the home of a parent or legal guardian within 12 months after removal.

(c) Permanency of reunification. No more than 4% of children who were discharged from foster care to reunification will reenter foster care in less than 12 months from the date of discharge.

(d) Timeliness of adoptions. No fewer than 36.6% of children in care for 30 days or more shall be discharged from foster care to a finalized adoption within 24 months after removal.

(e) Discharge to permanency for children in foster care for long periods of time. No fewer than 29.1% of children in care for the most recent 24 months shall be discharged to a permanent placement before reaching 18 years of age. Permanent placement is defined as adoption, guardianship, or reunification.

(f) Legally free children in foster care for long period of time who are discharged to permanency. No fewer than 98% of children in care for the most recent 12 months and legally free for adoption shall be discharged to a permanent placement before reaching 18 years of age. Permanent placement is defined as adoption, guardianship, or reunification.

(g) Children discharged from foster care without permanency. Not more than 45% of children in care for the most recent 12 months or more shall:

(i) Be discharged from foster care before reaching 18 years of age if the reason for discharge is another planned permanent living arrangement (APPLA).

(ii) Reach 18 years of age while in foster care, if the child has been in foster care for 3 years or more.

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

Sec. 271. (1) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices detailing changes in program policy, outcome measurement, and training by the department and courts to meet the requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.

(2) The department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing recent department communication with the federal government related to the provision of foster care, juvenile justice, and adoption services. The report shall include information detailing federal recommendations made to the department and courts, any sanction or warning of possible future sanction assessed on this state by the federal government, the status of the performance improvement plan submitted to the federal government, and efforts by the department to increase federal financial support for children's services in this state.

Sec. 273. (1) On the first day of each month, the department shall report to the senate and house standing committees with primary jurisdiction over matters relating to human services and the senate and house appropriations subcommittees on the department budget any policy changes made to implement the provisions of enacted legislation, including the annual appropriation for the department budget.

(2) The department shall provide to the senate and house appropriations subcommittees on the department budget and senate and house standing committees with primary jurisdiction over matters relating to human services, the senate and house fiscal agencies, and the senate and house policy offices by July 1 of the current fiscal year a cumulative list of all policy changes in child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care and the most recent regulatory plan submitted to the state office of administrative hearings and rules.

(3) The department shall only use money appropriated in section 102 to prepare regulatory reform plans. Money appropriated in part 1 shall not be used to prepare regulatory reform plans or promulgate rules that exceed statutory authority granted to the department. If the department fails to comply with the provisions of section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, money shall not be expended for the further preparation of that regulatory plan or the promulgation of rules for that regulatory plan.

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

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

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

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department.

(2) Contractors shall be reimbursed for revenue maximization services by allowing the contractors to retain a negotiated percentage of savings identified. The percentage of savings retained by a contractor shall not exceed 25%.

(3) The department shall retain any savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

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

(b) Additional staff to reduce caseload-to-worker ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by April 1 of the current fiscal year on the waste, fraud, error, and abuse located through contracts authorized under subsection (1).

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

and the assessment of the quality of services provided for each contract relating to human services entered into by the department during the current fiscal year.

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

- (a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.
- (b) The amounts of appropriations carried forward as work projects from previous fiscal years for information technology projects.
- (c) A listing of the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.
- (d) A narrative describing anticipated information technology needs for the department in future years.

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

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

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

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

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

Sec. 287. The department shall work collaboratively with the child death review board and court system to improve communication and coordination between entities on the review and examination of child death in Michigan.

Sec. 288. (1) The department shall not establish time limits on payments to providers for properly documented services purchased by the department.

(2) The department shall pay providers that meet the requirements of subsection (1) with state general fund/general purpose funds if federal funds cannot be used because of time restrictions on federal claims.

Sec. 290. The appropriations in part 1 reflect a reduction in staffing levels of 65 FTE positions from previous fiscal year levels. The legislature intends that the reduction be accomplished by the following staff reductions under each of the following line items:

- (a) Under executive operations salaries and wages:
 - (i) Office of communications, 10 positions.
 - (ii) Office of contracts and rate setting, 6 positions.
 - (iii) Office of inspector general - monitoring and internal controls, 8 positions.
 - (iv) Office services division - composition unit, 2 positions.
 - (v) Budget division, 1 position.
 - (vi) Purchasing, vehicles, and inventory control, 1 position.
 - (vii) Office of technology and information management - technology coordination and support, 3 positions.
- (b) Under field staff, salaries and wages, 20 recoupment specialists.
- (c) Under medical consultation program, 3 disability examiners.
- (d) Under child support enforcement operations:
 - (i) One deputy director position.
 - (ii) Administration division, 2 positions.
 - (iii) Operations division - case management, 2 positions.
 - (iv) Operations division - special initiatives unit, 2 positions.
 - (v) Operations division - central functions, 4 positions.

Sec. 295. (1) From the money appropriated in part 1 for information technology services and projects, the department shall allocate \$250,000.00 to modify the "Bridges" eligibility system to permit greater cooperation between the department of state police and department's office of inspector general in identifying individuals with criminal justice disqualifications for program eligibility inappropriately accessing benefits.

(2) The department shall provide a report by March 15 of the current fiscal year to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and the senate and house policy offices

on the progress of the effort required in subsection (1) and the number of individuals identified as ineligible for benefits as a result of cooperation between the office of inspector general and department of state police.

Sec. 296. 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 senate and house fiscal agencies.

Sec. 297. The department shall, with assistance from the department of community health, provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house committees with primary jurisdiction over matters of health policy, the senate and house fiscal agencies, and the senate and house policy offices describing money collected through Medicaid estate recovery efforts and proposed changes to section 112g of the social welfare act, 1939 PA 280, MCL 400.112g, that could increase collections through Medicaid estate recovery.

Sec. 298. From the money appropriated in part 1 for 200 limited-term eligibility full-time employees, the department shall inform all employees hired with these funds that their employment is temporary and should not be considered permanent. Any temporary employee hired may be given preference by the department for hiring if a suitable full-time permanent position becomes available within the department.

Sec. 299. From the money appropriated in part 1 for electronic benefit transfer, beginning not later than May 31, 2010, the department shall provide to recipients a branded MasterCard debit card to be used to access family independence program cash benefits. The use of the Bridge card on the QWEST network shall be discontinued for cash benefits, and the department shall issue a letter to recipients explaining the process for the transition to the new MasterCard debit card and how benefits may be accessed.

EXECUTIVE OPERATIONS

Sec. 306. From the money appropriated in part 1 for demonstration projects, the department shall allocate \$200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$500,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

Sec. 308. From the money appropriated in part 1 for demonstration projects, \$200,000.00 shall be expended on a contract with the University of Detroit Mercy to provide legal services for disabled veterans who are seeking eligibility under federal disability programs, including federal supplemental security income. The contract shall fund a statewide effort by the university through use of its mobile office to deliver these legal services.

Sec. 309. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 310. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Sec. 311. The department shall continue to operate a performance-based licensing model that will assure compliance with department policy and statutory mandates. This model will prioritize licensing activities based on risk to the vulnerable children and adults residing in or receiving services from licensees.

Sec. 312. From the money appropriated in part 1 for demonstration projects, the department shall provide \$120,000.00 for a pilot program in Sanilac County. The program shall coordinate a comprehensive system of care and referral for area families with children ages zero to 18.

ADULT AND FAMILY SERVICES

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) In expending money appropriated in part 1 for the marriage initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with \$200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF-eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF-eligible household served to claim the federal and state earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. The same amount shall be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

Sec. 419. The department in collaboration with the Michigan State University center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions,

shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

(b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.

(c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than \$100,000.00 to assist this state's elderly population to participate in the food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$25,000.00 for a food aid outreach project in Muskegon County and \$25,000.00 for a food aid outreach project in Kent County.

CHILDREN'S SERVICES

Sec. 501. During the current fiscal year, 85% or more of children who have been in care for 1 year or longer while legally available for adoption or with an established goal of reunification with their families shall be permanently placed. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care more than 12 and less than 24 months and those who remain in foster care 24 months or more.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

(a) Has not yet graduated from high school or passed a high school equivalency examination.

(b) Is making progress toward completing high school.

(c) Has not yet reached his or her nineteenth birthday.

(d) Is not eligible for federal supplemental security income (SSI) payments.

Sec. 504. (1) The department will ensure that children aged 14 years and older in foster care and youth transitioning from foster care to adulthood have access to the range of supportive services necessary to support their preparation for and successful transition to adulthood, including, but not limited to, independent living services eligible for federal reimbursement under the Chafee program, and shall maintain sufficient resources to deliver independent living services to all children in foster care custody of the department who qualify for them.

(2) The department also shall develop and implement the following policies, services, and programs focused on meeting the needs of foster children who are 14 years and older with a permanency goal other than a goal of reunification:

(a) Beginning November 15, 2008, the department shall refer all children 14 years and older in foster care and youth transitioning from foster care to adulthood to Michigan works! agencies for participation in youth programs and services administered under the workforce investment act, 29 USC 2801 et seq., designed to assist youth in developing job skills and career opportunities, and shall refer suitably qualified children for summer training, mentorship, and enrichment opportunities.

(b) By November 15, 2008, the department shall have developed and implemented a policy and the necessary resources to extend all foster youths' eligibility for child foster care custody until 20 years of age and to make available independent living services through the age of 21 years.

(c) By November 15, 2008, the department shall develop and implement a policy and process by which all children emancipating from the foster care system at 18 years of age or beyond are enrolled for Medicaid managed care coverage so that their coverage continues without interruption at the time of emancipation.

(d) Beginning November 15, 2008, the department shall refer all children without an identified housing situation at the time of emancipation from the foster care system at 18 years of age or beyond to the Michigan state housing development authority for rental assistance and services under the homeless youth initiative.

(e) By October 2009, the department shall hire 14 regional education planners who shall provide consultation and support to youth 14 years of age and older in accessing educational services and in developing individualized education plans, including identifying all available financial aid resources.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

(3) The department may collaborate with the state child abuse and neglect prevention board to develop recommendations on how to best incorporate child abuse prevention strategies and practices into suggested changes in state statute and department policy. The department shall provide any recommendations developed with the state child abuse and neglect prevention board to the senate and house standing committees on human services and appropriations subcommittees on the department budget not later than March 1 of the current fiscal year.

(4) From the funds appropriated in part 1 for the children's trust fund, the department may utilize interest and investment revenue from the current fiscal year only for programs, administration, services, or all sanctioned by the child abuse and neglect prevention board.

(5) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall seek to have the children's trust fund grants distributed no later than October 31 of the current fiscal year.

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation or reuniting of the family or the court denies the petition, if either of the following would result:

(a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.

(b) A child would be living in the same household with a parent or other adult against whom there is a substantiated charge of sexual abuse against a child.

(2) Notwithstanding subsection (1), this section shall not prohibit counseling or other services provided by the department, if the service is not directed toward influencing the child to remain in an abusive environment, justifying the actions of the abuser, or reuniting the family.

Sec. 510. The department shall not be required to put up for bids a contract with a service provider if the service provider is nationally accredited or is currently the only provider in the service area.

Sec. 513. (1) The department shall not expend money appropriated in part 1 to pay for the direct placement by the department of a child in an out-of-state facility unless all of the following conditions are met:

(a) There is no appropriate placement available in this state as determined by the department interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.

(c) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.

(d) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.

(e) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, reviewed licensing records and reports on the facility, and believes that the facility is an appropriate placement for the child.

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the department interstate compact office. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

(3) The department shall submit a report by February 1 of each year on the number of children who were placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1 of the current fiscal year, that shall include all of the following:

(a) Statistical information including, at a minimum, all of the following:

(i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, race, and ethnicity and whether the perpetrator exposed the child victim to drug activity, including the manufacture of illicit drugs, that exposed the child victim to substance abuse, a drug house, or methamphetamine.

(iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

(c) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

(d) The department policy, or changes to the department policy, regarding termination of parental rights or foster placement for children who have been exposed to the production of illicit drugs in their dwelling place or a place frequented by the children.

(e) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. The department shall use performance-based models for all foster care services. The goal of these models shall be to ensure that foster care services are provided in a manner that increases the state's compliance with CFSR and children's rights settlement agreement goals. Not later than March 30 of the current fiscal year, the department shall provide an update to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the office of the state budget on benchmarks developed in conjunction with private providers for this performance model, results the department or agencies have achieved in improving permanency placements, and recommendations for further improvements for foster care services across the entire state.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) Funds appropriated in part 1 for zero to three may be used to fund community-based collaborative prevention services designed to do any of the following:

(a) Foster positive parenting skills especially for parents of children under 3 years of age.

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

(d) Increase local capacity to serve families at risk.

(e) Improve school readiness.

(f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for direct services grants for the current fiscal year.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of the community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

(5) As used in this section, "state human services directors" means the director of the department of community health, the director of the department of education, and the director of the department.

Sec. 523. (1) The department shall report on prevention programs for which money is appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

(c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results.

(e) Innovations that may include savings or reductions in administrative costs.

(2) From the money appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(3) An agency that receives teenage parent counseling money shall provide at least 10% in matching funds, through any combination of local, state, or federal money or in-kind or other donations.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

(3) The department shall develop a plan to license relatives of foster children as foster care providers to ensure consistent high standards of care for those foster children. The department shall report on the plan to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director as part of the quarterly reports required by section 582.

Sec. 533. (1) The department shall make payments to child placing facilities for out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments.

Sec. 536. (1) The department shall place all children within their own county or within a 75-mile radius of the home from which the child entered custody, whichever is greater, unless 1 or more of the following applies:

(a) The child's needs are so exceptional that they cannot be met by a family or facility within the county or 75-mile radius.

(b) The child needs re-placement and the child's permanency goal is to be returned to his or her parents who at the time reside out of the county or 75-mile radius.

(c) The child is to be placed with a relative out of the county or 75-mile radius.

(d) The child is to be placed in an appropriate preadoptive or adoptive home that is out of the county or 75-mile radius.

(2) If placement outside the county or 75-mile radius is made, either of the following applies:

(a) In a "designated county", as defined in section IV.A.3 of the children's rights settlement agreement, the county administrator of children's services shall be specifically required to certify the circumstances supporting the placement in writing, based on his or her own examination of the circumstances and the child's needs and best interests.

(b) In any other county, the children's services field manager shall be specifically required to certify the circumstances supporting the placement in writing, based on his or her own examination of the circumstances and the child's needs and best interests.

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 539. The department shall work in collaboration with representatives from child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Sec. 544. The department shall continue pilot projects with applications pending for accelerated residential treatment.

Sec. 546. (1) From the money appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of foster care services not less than a \$37.00 administrative rate.

(2) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of general independent living services not less than a \$28.00 administrative rate. For specialized independent living services, the administrative rate paid shall not be less than the administrative rate paid in fiscal year 2008-2009.

(3) The department shall calculate and report to the house and senate appropriations subcommittees on the department budget on the cost of care, on a per diem basis, for foster care services delivered directly by the department.

(4) Beginning April 1 of the current fiscal year for children not eligible for title IV-E funding, 75% of the cost for the administrative rates in subsections (1) and (2) shall be funded with state funds and any available federal revenues. Counties shall be subject to the remaining 25% of the cost for the administrative rates in subsections (1) and (2).

Sec. 547. (1) Beginning April 1 of the current fiscal year, the department shall establish a \$40.00 administrative rate for foster care and independent living services delivered directly by the department.

(2) For children not eligible for title IV-E funding, 75% of the cost for the administrative rate in subsection (1) shall be funded with state funds and any available federal revenues. Counties shall be subject to the remaining 25% of the cost for the administrative rate in subsection (1).

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Sec. 556. The department shall submit a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the senate and house policy offices that includes all of the following:

(a) A description of how the department is complying with federal requirements to notify prospective adoptive parents about adoption subsidies for which those prospective adoptive parents may qualify.

(b) The number of requests received by the department from adoptive parents for money or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues, the proportion of these requests approved by the department, and the total annual expenditure for approved requests.

(c) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy, broken down by the stated reason for the challenge.

(d) The number of adoption subsidy payments suspended when the child is still in the custody of the adoptive parent, but no longer in the physical care of the adoptive parent.

Sec. 562. (1) The department shall allow a county to submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

(2) The department shall submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

Sec. 565. (1) From the funds appropriated in part 1 for federally funded family preservation programs, the department shall allocate \$2,000,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) One-half of the total amount allocated to Wayne County shall be used to serve adjudicated delinquent youth, and 1/2 shall be used to serve abused and neglected youth.

(3) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(4) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

Sec. 566. (1) Subject to subsection (2), beginning October 1, 2008, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

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

Sec. 568. (1) From the money appropriated in part 1 for child welfare improvements, the department may allow the private sector to compete for the money to achieve permanency placement for children in foster care and prioritize funding for children in foster care who have barriers to permanency placement.

(2) The department shall submit quarterly reports to the legislature that include all of the following information on the appropriation adjustments described in section 568(2) of 2007 PA 131 and those same appropriations adjustments in this act:

(a) The number of positions hired or paid from these appropriations, what their titles and responsibilities will be, what performance objectives and measurable outcomes they are required to satisfy, and what they are being paid in salaries, wages, and fringe benefits. If a community-based provider of adoption services assumes an adoption case that was previously handled by a public agency or worker, the time that the case was handled by the public agency or worker shall not be counted in a performance measure without the consent of the community-based provider.

(b) Information on any contracts for services that have been awarded and the performance objectives and measurable outcomes that are incorporated in the contracts and the successes or failures that are achieved as a result.

(c) Detailed information on any money spent for child welfare improvements and what measurable outcome is expected for the money being spent.

Sec. 570. (1) From the money appropriated in part 1 for the subsidized guardianship program, the department shall provide subsidies under this program to children who are wards of the court under section 2(b) of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2.

(2) The department shall make money available to children who are receiving services from the department at the time a guardian is appointed for the child, if the court appointing the guardian considers it necessary to continue those services for the success of the guardianship.

(3) The department may provide money to eligible children in the subsidized guardianship program on an as-needed basis or in the form of a 1-time payment to promote permanency for children.

(4) The department shall report during the annual budget presentation to the senate and house appropriations subcommittees on the department budget the number of guardianship subsidies and recommendations for any modifications in the subsidized guardianship program.

Sec. 571. The department shall maintain a title IV-E compliance and accountability office with the following goals and responsibilities:

(a) Study efforts in other states to determine best practices for title IV-E-related activities and measures to maximize the receipt of federal money for eligible cases.

(b) Coordinate compliance with federal regulations in order to receive title IV-E money.

(c) Provide necessary technical assistance to local units of government, including courts, to ensure proper handling of cases and paperwork in preparation for federal audits and reviews.

(d) Coordinate a program to provide private persons, groups, and corporations with incentives to make tax-deductible contributions intended to assist foster care families to overcome barriers to becoming licensed and eligible to receive title IV-E money.

(e) As part of the quarterly reports required by section 582, provide information to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.

Sec. 573. From the money appropriated in part 1 for adoption support services, \$1,049,400.00 is allocated to support adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive \$16,000.00 for each finalized placement under the program.

Sec. 574. (1) From the money appropriated in part 1 for foster care payments – abuse and neglect, \$2,500,000.00 is allocated to support contracts with child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure. The agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

(2) From the money appropriated for foster care payments, \$375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements or payment for physical exams for applicants needed by foster families to accommodate foster children.

Sec. 575. (1) Of the funds provided for the training of human services workers, particularly caseworkers, the department shall use appropriated funds to begin cultural sensitivity training and awareness with the goal of effectively reducing the number of minority children inappropriately removed from their homes for neglect and placed in the foster care system when more appropriate action would include the provision of support services to the family.

(2) Of the money appropriated to the department for family preservation and prevention, more specific focus shall be placed on preserving and reunifying families.

(3) As a condition for receiving appropriated money, the department and the office of the friend of the court shall work in cooperation to provide support services to families of custodial parents who have been awarded child support from a parent who is incarcerated.

(4) As part of the quarterly reports required by section 582, the department shall provide a report to the house and senate appropriations subcommittees with jurisdiction over the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the specific cultural sensitivity training and awareness efforts, family preservation and reunification efforts.

Sec. 577. From the money appropriated in part 1, the department may allow a community collaborative to use strong families safe children program funds for a prevention program that meets standards agreed upon between the community collaborative and county department offices in accordance with federal regulations regarding expenditure of strong families safe children program funds.

Sec. 578. The department and child placing agencies shall utilize a standardized assessment tool to measure the mental health treatment needs of every child supervised by the department. The department shall use the results of this assessment process to determine what services are to be provided to the child while under department supervision.

Sec. 580. The department and the department of community health shall initiate efforts to identify mental health programs and activities where the services of the 2 departments overlap, or are uncoordinated. The goal shall be to

provide adequate and stable mental health services which address the need of the individual child without duplicative, confusing, or needlessly complex services. The department shall report on these coordination efforts with the department of community health during the annual budget presentations to the senate and house appropriations subcommittees with jurisdiction over the department budget.

Sec. 581. (1) The money appropriated in part 1 for adoption support services shall be used by the department of human services to increase the rates paid to private adoption agencies for all categories of adoption placements and adoption finalizations to reflect the rate schedule below:

Reimbursement Category	Placement Rate	Finalization Rate	Total Payment
Basic: More than 12 months	\$3,405	\$2,270	\$5,675
Standard: 9-12 months, statewide	\$3,538	\$2,364	\$5,902
Enhanced: 8 months, statewide	\$5,771	\$3,846	\$9,617
Premium: 5 months, statewide	\$7,371	\$4,914	\$12,285
Residential	\$8,513	\$5,676	\$14,189
MARE	\$13,094	\$8,730	\$21,824
In-state Transfer			\$1,845
Interstate: Existing Services			\$1,844
Interstate: New Services			\$3,546

(2) The additional revenue shall be used by private adoption agencies to increase staffing to a level sufficient to meet the 22:1 cases-to-worker ratio requirements for adoption workers within the children's rights settlement agreement.

Sec. 582. On the last working day of January, April, July, and November, for the preceding fiscal quarter, the department shall submit a comprehensive child welfare improvement report, compiling material required by each section of this act related to child welfare. This report will be provided to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director and will provide an overview of the status of all initiatives the department is required to carry out by this appropriation act and the impact of those initiatives on meeting the benchmarks established in the federal child and family service review process and the requirements established in the children's rights settlement agreement. The report may include information about other initiatives of the department and its service delivery partners which support improvements in safety, permanency, and well-being for the children and families served by Michigan's child welfare system.

Sec. 583. The department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the number of individuals participating as foster parents during the previous fiscal year who dropped out of the program. The report shall also provide explanatory data on the primary reasons that foster parents chose to leave the program.

Sec. 584. The department shall provide recommendations to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on changes to current state statutes that would ensure more effective communication between caseworkers and courts administering foster care cases.

Sec. 585. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures, provided that the agency trainer and training materials are accredited by the department and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training.

Sec. 586. The department shall request a modification of the staffing requirement imposed by the children's rights settlement agreement. The modification would permit the department to ensure that 75% of purchase of service monitors will have a caseload of no more than 100 cases in fiscal year 2009-2010.

Sec. 587. (1) The appropriation in part 1 for the child care fund in-home care incentive program shall be used to encourage counties to increase the number of children in the child welfare and juvenile justice systems receiving in-home care services as opposed to out-of-home placements. Funds shall cover the costs of in-home care services that are eligible for temporary assistance for needy families funding. To receive reimbursement under the program, a county shall document that expenditures for in-home care services for the fiscal year ending September 30, 2009 exceeded those of the prior year. Each county shall receive reimbursement from the department in an amount equal to 75% of the documented increase in in-home care expenditures. However, if the amount of eligible expenditures claimed by all counties exceeds the appropriation in part 1, each county will receive a prorated share of its documented increase in in-home care expenditures. Each county shall provide for the remaining 25% of costs from its child care fund.

(2) To participate in the child care fund in-home care incentive program, a county shall submit to the department by December 15 of each year, in a manner determined by the department, a report outlining its proposed budget for the incentive program for the current fiscal year and an overview of measures to be used to monitor outcomes for youth receiving services under the program. The department must approve a final report by the following February 15 for the county to be eligible for program reimbursement.

PUBLIC ASSISTANCE

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County department offices shall require each recipient of family independence program and state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the family independence program or state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed \$4,000.00.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. (1) From the money appropriated in part 1 for indigent burial, the maximum allowable reimbursement limit for indigent burials shall be \$700.00, which shall be distributed as follows:

- (a) \$455.00 to the funeral director.
- (b) \$145.00 to the cemetery or crematorium.
- (c) \$100.00 to the provider of the vault.

(2) The department shall continue to work with funeral directors to establish a regional or statewide pilot program that would include the following elements:

(a) From the money appropriated in part 1 for indigent burial, the department shall provide for the direct cremation of bodies of indigent persons that are not claimed by a person who has the right to control the disposition of the body.

(b) The department may select through competitive bidding funeral directors in each county or region of the state to supervise the disposition of unclaimed bodies.

(c) Until contracts based upon competitive bidding under subdivision (b) are entered into, the payment to a funeral director for these services shall be \$800.00 plus mileage reimbursement for transportation costs at the standard rate established by the department of management and budget for travel reimbursement for nonstate vehicles plus the cost of the cremation permit.

(d) The department may deviate from the payment limits established in subsection (1) and section 611 in making payments under the pilot program.

(e) The department shall provide periodical reports to the senate and house of representatives appropriations subcommittees with jurisdiction over the department budget regarding the pilot program's caseload and expenditures.

Sec. 614. The funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 business days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks, emergency shelter providers, or other human services agencies who may, as a normal part of doing business, provide food or emergency shelter.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.

- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.
- (j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.
- (k) A recipient is disqualified for intentional program violation.
- (l) When the department's negative action is upheld in an administrative hearing.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 21 USC 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

- (a) A third-party payee or vendor shall be required for any cash benefits provided.
- (b) An authorized representative shall be required for food assistance receipt.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural integration and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

- (a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.
- (b) Referral of persons so identified to counseling and supportive services.
- (c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child day care, the department shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the department may continue to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

- (2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters and human services agencies shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters or human services agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall allocate \$3,000,000.00 for the operation of a statewide before- or after-school program targeted to children in kindergarten through ninth grade. Eligible programs must serve geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes and serve children living in households with income below 200% of the federal poverty guidelines as established by the United States department of health and human services.

- (2) The department shall give priority to before- and after-school programs that operate in areas with a marked increase in gang violence as defined by the United States attorney's office.

Sec. 659. The department may provide staff support to the Kent school services network to assist in addressing the multiple needs of children and families at community schools. The department may also participate in the expansion of this program in Kent County as well as other areas of the state that may use the Kent school services network program as a model.

Sec. 660. From the funds appropriated in part 1 for food bank funding, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF

eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 665. The department shall partner with the department of transportation and may partner with other entities to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal and state earned income tax credit.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit or purchasing cards.

(2) The department shall allocate up to \$7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

(3) The department shall take steps to inform family independence program recipients eligible for the allowance under subsection (2) that the money is to be used for clothing for eligible children.

Sec. 670. (1) From the money appropriated in part 1 for family independence program supplement, the department shall allocate no less than \$5,583,500.00 for a 1-time supplement for clothing expenses. The allowance shall be granted to all eligible children as defined by the department.

(2) The department shall distribute the supplement in subsection (1) to recipients electronically by using debit or purchasing cards.

(3) The department shall take steps to inform recipients of the 1-time supplement in subsection (1) that the money is to be used for clothing for eligible children and that the supplement is a 1-time payment.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

Sec. 674. (1) The department shall continue administrative efforts to reduce waste, fraud, and abuse within the child day care program. Beginning December 31 of the current fiscal year, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the estimated impact of efforts to reduce inappropriate payments through the child day care program.

(2) The department may contract with a private entity to utilize information technology or other methods of management and oversight of child day care payments to ensure that payments made through the child day care program are accurate and appropriate.

Sec. 675. (1) The department shall establish a 1-time basic training requirement for all enrolled day care aides and relative care providers. All enrolled providers will be required to complete the basic training requirement in order to be eligible for state day care reimbursement payments.

(2) The department shall ensure that additional annual training beyond the basic training requirement is available for enrolled providers and shall make enhanced reimbursement payments to enrolled providers who complete at least 10 hours of optional annual training as outlined in subsection (3).

(3) From the money appropriated in part 1 for regulated day care services and unregulated day care services, the department shall make payments to child care providers in accordance with the provisions of this subsection. The maximum hourly rates paid to child care providers shall vary depending upon provider type and the age of the child in care as outlined below:

(a) For children up to 2-1/2 years old, the maximum hourly rate shall be as follows:

(i) For child care centers, \$3.75.

(ii) For family child care homes and group child care homes, \$2.90.

(iii) For enrolled providers who complete 10 hours of annual training, \$1.85.

(iv) For enrolled providers who do not complete 10 hours of annual training, \$1.60.

(b) For children over the age of 2-1/2 years, the maximum hourly rate shall be as follows:

(i) For child care centers, \$2.50.

(ii) For family child care homes and group child care homes, \$2.40.

(iii) For enrolled providers who complete 10 hours of annual training, \$1.85.

(iv) For enrolled providers who do not complete 10 hours of annual training, \$1.60.

(4) The department shall establish policies and rules for determining eligibility for the enhanced reimbursement payments to enrolled providers who complete 10 hours of annual training and shall ensure that the policies and rules are communicated to all enrolled providers that receive state reimbursement payments.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

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

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in JET employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 15 of each year and shall contain at least the following information:

- (a) Detail of the amounts of grants awarded.
- (b) The grant recipients.
- (c) The activities funded by each grant.
- (d) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All ECIC contracts for comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

Sec. 681. The department shall work in collaboration with grocers, distributors, and merchants on effective education of food assistance recipients to ensure adequate notice of changes in the food assistance benefits distribution. The department shall update the senate and house appropriations subcommittees on the department budget and standing committees for human services on the progress and issues raised by this change in distribution.

Sec. 682. The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy staffs regarding the JET program savings for the previous fiscal year and the details on the proposed use of that money.

Sec. 683. (1) From the funds appropriated in part 1 for SSI advocacy, \$1,275,000.00 shall be paid to the Michigan state bar foundation for SSI advocacy services provided by the legal services association of Michigan. A payment of \$400.00 shall be made for each case referred to the legal services association of Michigan, with a final payment of \$250.00 on case completion.

(2) The department shall not provide payment to the legal services association of Michigan for assisting a recipient to submit a frivolous appeal or application or for assisting a recipient who has submitted multiple applications that have been denied regarding the same disability, unless the legal services association of Michigan determines that there is a valid reason to pursue an appeal.

Sec. 685. (1) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house appropriations subcommittees with jurisdiction over the department of community health budget, on the number of recipients that applied for Medicaid coverage, the number of recipients that were approved for Medicaid coverage, and the number of recipients that were denied Medicaid coverage. The report shall describe these statistics comparing the current and previous fiscal years and summarize department programs to assist persons in applying for Medicaid.

(2) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house subcommittees with jurisdiction over the department of community health budget, on the number of applicants for home help services. The department shall give a summary report on the number of approved applications, denied applications, pending applications, and the number of applications in which the applicant was eligible for nursing home services.

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall explore changes in program policies to ensure that caseworkers confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

(3) The department shall explore changes in program policy that would ensure that individuals with property assets assessed at a value higher than \$500,000.00 would not be able to access assistance through department-administered programs.

(4) The department shall modify program policy to ensure that caseworkers request an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 688. The department in conjunction with Michigan works! shall examine and report on the incidence of reported barriers among families terminated from the family independence program because of noncompliance with work-related requirements. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by April 1 of the current fiscal year.

Sec. 690. Child care centers, child care group homes, and child care family homes that are licensed or registered with the department may report to the department on a quarterly basis on the number of vacancies they have with regard to children in their care. Vacancy information may be reported more frequently to the department on a voluntary basis.

Sec. 691. The department may choose not to distribute public assistance or subsidies to the parent or parents of school-age children if that parent or those parents have not signed a parent, student, teacher compact outlining the role of each party in the educational success of the student as required by the federal no child left behind act of 2001, Public Law 107-110.

Sec. 695. The funds appropriated in part 1 for food assistance program benefits (ARRA) that are financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature.

JUVENILE JUSTICE SERVICES

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. The department will provide a unified data collection mechanism to ensure consistent reporting of aggregate case information from the courts. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.
- (d) Trends in census and population demographics.
- (e) Staff and resident safety.
- (f) Facility profile.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

- (a) Actual cost and actual days of care by facility for the most recently completed fiscal year. This report shall also include the actual number of youth served as well as demographic information.
- (b) Actual cost per day per youth by facility for the most recently completed fiscal year.
- (c) An analysis of the variance between the estimated cost and days of care assumed in the original appropriation and the figures in subdivisions (a) and (b).
- (d) Both the number of authorized FTE positions for each facility and the number of actual on-board FTE positions for the most recently completed fiscal year.

Sec. 706. Counties shall be subject to 50% chargeback for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. As a condition of receiving money appropriated in part 1 for the child care fund line item, by February 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by December 15 of the current fiscal year for approval.

Sec. 717. (1) If funds become available, the department shall contract with a state university to conduct a behavioral health study of juvenile justice facilities operated or contracted for by the state. The study shall utilize diagnostic clinical interviews with and records reviews for a representative random sample of juvenile justice system detainees to develop a report on each of the following:

- (a) The proportion of juvenile justice detainees with a primary diagnosis of emotional disorder, the percentage of those detainees considered to currently require mental health treatment, and the proportion of those detainees currently

receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those detainees.

(b) The proportion of juvenile justice detainees with a primary diagnosis of addiction disorder, the percentage of those detainees considered to currently require substance abuse treatment, and the proportion of those detainees currently receiving substance abuse service, including a description and breakdown, encompassing, at a minimum, the categories of residential and outpatient care, of the type of substance abuse services provided to those detainees.

(c) The proportion of juvenile justice detainees with a dual diagnosis of emotional disorder and addiction disorder, the percentage of those detainees considered to currently require treatment for their condition, and the proportion of those detainees currently receiving that treatment, including a description and breakdown, encompassing, at a minimum, the categories of mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, and substance abuse outpatient, of the type of treatment provided to those detainees.

(d) Data indicating whether juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder were previously hospitalized in a state psychiatric hospital for persons with mental illness. These data shall be broken down according to each of these 3 respective categories.

(e) Data indicating whether and with what frequency juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder have been detained previously. These data shall be broken down according to each of these 3 respective categories.

(f) Data classifying the types of offenses historically committed by juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder. These data shall be broken down according to each of these 3 respective categories.

(g) Data indicating whether juvenile justice detainees have previously received services managed by a community mental health program or substance abuse coordinating agency. These data shall be broken down according to the respective categories of detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder.

(2) The report referenced under subsection (1) would be provided not later than June 30 of the current fiscal year to the senate and house appropriations subcommittees on human services, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 720. (1) The department shall implement the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(2) The department shall allocate money to public and private providers of juvenile justice services based on their ability to demonstrate results in all of the following:

- (a) Lower recidivism rates.
- (b) Higher school completion rates or GED completion rates.
- (c) Shorter average stays in a residential facility.
- (d) Lower average actual cost per resident.
- (e) Availability of appropriate services to residents.

(3) The department shall comply with section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

Sec. 721. The department shall report to the house and senate appropriations subcommittees on the department budget by October 1 of the current fiscal year on the placement of juvenile offenders who need services in community-based or privately operated facilities.

Sec. 723. A private provider of juvenile services may receive funding for both secure and nonsecure services if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level.

Sec. 726. (1) Beginning October 1, 2007, from the money appropriated in part 1 for foster care payments and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

- (2) A provider shall not receive a daily rate below \$130.00.

Sec. 730. The department shall review and may adjust daily per diem rates to private providers of juvenile justice services in recognition of added complex services.

Sec. 732. The department shall ensure that staff employed at Nokomis challenge center or community juvenile justice facility closed in the current fiscal year appropriation process be given priority for new staff positions that they are qualified to fulfill that are funded in the current fiscal year appropriation to meet the requirements of the children's rights settlement agreement.

LOCAL OFFICE SERVICES

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations, nursing homes, and hospitals.

Sec. 751. (1) From the funds appropriated in part 1, the department may implement school-based family resource centers based on the following guidelines:

(a) The center is supported by the local school district.

(b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

(c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

(2) The department shall notify the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

(d) The financial implications for expansion, including funding sources.

Sec. 752. If sufficient funding becomes available from local sources, the department shall support the operation of 2 additional family resource centers in Genesee County, 3 additional family resource centers in Kent County, and 1 additional family resource center in Ingham County.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1 of the current fiscal year on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including timelines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 754. From the money appropriated in part 1, the department shall provide \$850,000.00 to establish a customer service resource center.

DISABILITY DETERMINATION SERVICES

Sec. 801. The department disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and schoolteachers.

CHILD SUPPORT ENFORCEMENT

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of \$26,500,000.00.

(2) From the federal money received for child support incentive payments, \$12,000,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, \$14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in the code of federal regulations, CFR 45.305.2.

(4) If the child support incentive payment to the state from the federal government is greater than \$26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches \$15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than \$26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from prior fiscal years.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide semiannual reports to the legislature concerning money expended and improvements made as a result of this section.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1 of the current fiscal year. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during the current fiscal year. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

Sec. 908. From the money appropriated in part 1 for child support enforcement operations, \$500,000.00 shall be expended on a contract to collect child support arrearages. Cases shall be assigned to a contractor with the goal that at least 15% of collected arrearages be owed to this state on behalf of current or former TANF recipients. The contractor shall be allowed to retain up to 15% of arrearages collected as a fee for services. By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the following contract results:

- (a) Number of cases assigned to the contractor.
- (b) Number of cases in which the contractor successfully collected on arrearages.
- (c) Total arrearages collected.
- (d) Total arrearages collected that were owed to this state as reimbursement for public assistance.
- (e) Total amount retained by the contractor.

Sec. 909. (1) If statewide retained child support collections exceed \$38,300,000.00, 75% of the amount in excess of \$38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess.

(3) Payments to counties participating in projects pursuant to section 907 shall be reduced by the amount paid to the vendor. This authorization adjustment shall be made upon notification of the chairs of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director.

Sec. 910. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

Sec. 911. (1) The department will implement a \$25.00 annual fee pursuant to title IV-D, section 454(6)(B)(ii), of the social security act, 42 USC 651. The fee shall be deducted from support collected on behalf of the individual. Fee revenues shall be used to administer and operate the child support program under part D of title IV of the social security act.

(2) The department shall provide the chairs of the senate and house appropriations committees with model legislation authorizing a \$25.00 annual fee pursuant to title IV-D, 42 USC 654(6)(B) by December 31 of the current fiscal year.

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Sec. 1101. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 1102. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31 of the current fiscal year, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 1104. The department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

FEDERAL ARRA STIMULUS

Sec. 1201. The funds appropriated in part 1 for elder law of Michigan food for the elderly (ARRA) shall be distributed to the center for civil justice to enhance its outreach efforts aimed at increasing the participation of low-income families in the food assistance program.

Sec. 1202. The funds appropriated in part 1 for food bank funding (ARRA) shall be distributed to the food bank council of Michigan to assist Michigan food banks in collaborating with anti-hunger partners in outreach aimed at increasing the participation of low-income families in the food assistance program.

Sec. 1203. From the money appropriated in part 1, the department shall expend \$100.00 to hire 200 limited-term eligibility specialists to address rising caseloads and client applications for assistance, particularly for Medicaid and food assistance.

Sec. 1204. From the money appropriated in part 1, the department may expend \$100.00 of federal child care and development fund revenue for any of the following:

- (a) Child care provider rate increases.
- (b) Child care provider training.
- (c) ECIC expansion.
- (d) Zero to 3 expansion.

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 human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Bill Hardiman
Roger Kahn
Conferees for the Senate

Dudley Spade
Rashida Tlaib
David Agema
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. 481

Yeas—20

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

Nays—17

Anderson	Clark-Coleman	Jacobs	Scott
Barcia	Clarke	Olshove	Switalski

Basham
Brater
Cherry

Gleason
Hunter

Patterson
Prusi

Thomas
Whitmer

Excused—0

Not Voting—0

In The Chair: Richardville

Protests

Senators Scott, Cherry, Jacobs, Whitmer, Clark-Coleman, Brater and Basham, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 248.

Senator Scott moved that the statement she made during the discussion of the conference report be printed as her reasons for voting “no.”

The motion prevailed.

Senator Scott’s statement, in which Senators Cherry, Jacobs, Whitmer, Clark-Coleman, Brater and Basham concurred, is as follows:

There are also some difficult items in this budget. There is a total of \$30 million in day-care cuts outlined in this bill, by cutting rates and by creating a two-tiered system so unlicensed providers are paid less. It assumes \$43 million in savings from reduced caseloads in day care. I’m not sure those cases are dropping that fast.

It would cut administrative staff by 100. It provides \$10 per day increase to private foster care providers, changes foster care reimbursement so that counties now have to pay for public providers and so public providers would have a per diem higher than the private providers.

It would close the Nokomis security juvenile justice facility and lays off those workers. It privatizes a new cost center at a cost of \$850,000 and privatizes a new child support arrearage program at a cost of \$500,000. It would cut \$22 million in employment and training funds.

There are some good things too. It would restore cuts in FIP grants, restores Zero to Three funding, restores \$14 in SSI supplemental payments, and provides one-time federal funding to keep the clothing allowance at \$88 for one year, in which the base is \$43.

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

The motion prevailed.

Senator Hardiman’s statement is as follows:

It would be easier to present this budget without the very large cuts that are here, but that is not the economic situation that we are in. So what we have tried to do throughout the process is to find ways to stretch the dollars and use them in the most efficient manner and to soften the blow to many of those who are counting on these funds.

The plain fact is that the General Fund has been reduced this current year by 31 percent and close to 20 percent from even the Governor’s recommendation. But I appreciate working with so many on this budget, certainly the House chair Representative Spade and his members, vice chair Senator Scott, Senator Kahn, their staffs, fiscal, policy, and my staff as well.

Let me give you some of the highlights this year. More people than ever will be served and will receive food assistance. We will stay on track to meet our legal obligations in foster care with historic funding and increases in staffing. We will meet our legal obligations regarding the children’s rights lawsuit. Special supplementation payments included in the executive recommendation are restored. There are no cuts to the state disability payments and the Early Childhood Investment Corporation, Zero to Three, and other programs. The clothing allowance will effectively remain the same as last year. There are other vital programs that help to address the root causes that will also remain.

There are some important reforms. There is significant reform in the day-care program to achieve savings of \$15 million by consolidating six shelter areas into a single-rate structure to be paid and provide a tiered reimbursement system for unlicensed providers to help incentivize those individuals to become licensed. There is the creation of a public per diem for the administration of foster care services that will not begin immediately but is set to begin April 1, 2010.

The conference report would close the Nokomis Challenge Center as of January 1, 2010, in order to save dollars as well. The report recommends the integration of the LEIN with the Bridges computer system to help ensure that the dollars are going to those who are truly eligible and in need.

I can say many other things about the report, as it is a very large and complicated department; but I would just like to recommend adoption of this report. I think that considering the very difficult economic times, we have placed before you a report worth your vote.

Recess

Senator Cropsey moved that the Senate recess until 7:00 p.m.
The motion prevailed, the time being 4:54 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President, Lieutenant Governor Cherry.

Recess

Senator Cropsey moved that the Senate recess until 8:00 p.m.
The motion prevailed, the time being 7:01 p.m.

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

By unanimous consent the Senate proceeded to the order of

Introduction and Referral of Bills

Senator Hunter introduced
Senate Bill No. 879, entitled

A bill to regulate the use of signs advertising sexually oriented businesses; to provide for the powers and duties of certain state and local governmental officers and entities; to provide remedies; and to prescribe civil sanctions.

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

House Bill No. 5072, entitled

A bill to amend 1987 PA 231, entitled "An act to create a transportation economic development fund in the state treasury; to prescribe the uses of and distributions from this fund; to create the office of economic development and to prescribe its powers and duties; to prescribe the powers and duties of the state transportation department, state transportation commission, and certain other bodies; and to permit the issuance of certain bonds," by amending section 11 (MCL 247.911), as amended by 2008 PA 364.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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

House Bill No. 5073, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 819 (MCL 257.819), as amended by 2008 PA 346.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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

House Bill No. 5120, entitled

A bill to amend 1985 PA 106, entitled "State convention facility development act," by amending section 10 (MCL 207.630), as amended by 2009 PA 61.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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

House Bill No. 5126, entitled

A bill to amend 1974 PA 258, entitled “Mental health code,” by amending section 226 (MCL 330.1226), as amended by 2004 PA 497.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title.

Senator Cropsey moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the order of General Orders.

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

Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 8:04 p.m.

8:23 p.m.

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

By unanimous consent the Senate returned to the order of

Resolutions

Senator Cropsey moved that consideration of the following resolutions be postponed for today:

Senate Resolution No. 41**Senate Resolution No. 75**

The motion prevailed.

Senator Thomas moved that Senator Prusi be temporarily excused from the balance of today’s session.

The motion prevailed.

Senator Prusi entered the Senate Chamber.

Senators Brown, Van Woerkom, Jelinek, Jansen, Richardville, Kuipers, McManus and Kahn offered the following resolution:

Senate Resolution No. 83.

A resolution to express support for the continuation of the Department of Agriculture as a distinct department within state government.

Whereas, Agriculture is Michigan’s second-largest industry. Agriculture generates more than \$70 billion of economic impact annually, employs more than 1 million people, and is one of the few growing and economically-dependable sectors of Michigan’s battered economy; and

Whereas, Michigan’s farms, farmlands, orchards, and nurseries produce more than 200 commercial commodities—second only to California in the diversity of its agricultural production—and leads the nation in the production of tart cherries, blueberries, squash, dry black beans, and nine other commodities; and

Whereas, For more than 88 years, the Michigan Department of Agriculture (MDA) has supported and facilitated the economic expansion of Michigan’s agricultural industry and ensured an abundant and safe food supply for all Michigan residents. The MDA is home to experts who understand the complexities of our highly specialized and complex agricultural industry and who have earned the trust of various stakeholders. It has fostered relationships with producers, processors, researchers, and other industry professionals by collaboratively resolving problems for the good of the state, its residents, and the industry; and

Whereas, Beyond agriculture, agricultural production, food safety, conservation, and environmental roles, the MDA assumes many consumer protection responsibilities. The MDA works actively with the restaurant industry, gas stations, grocery stores, and other retailers making sure products sold and purchased by consumers are both safe and what they are advertised to be; and

Whereas, The people of the state of Michigan need and deserve an agency whose first priority is to ensure food safety and provide solutions for the complex issues in the food production system; and

Whereas, Any proposal to merge the MDA with another state department or dissolve the MDA would result in no short- or long-term gain for Michigan. Careful review of MDA programs shows that the department is extremely efficient, and other state departments should use MDA as a model for how efficiencies can be achieved. Michigan would be the only state with significant agricultural activity without an independent and focused agriculture department; and

Whereas, As our political and economic landscape will continue to change, a stable agriculture department is vital to maintain focus on food and agricultural issues and to ensure continued support for fundamental food safety and consumer protection programs; and

Whereas, The MDA has already absorbed a nearly 50 percent cut in general fund appropriations over the last decade. It is a credit to the department and its dedicated staff that, despite these cuts, the MDA has been able to maintain its high level of service, address new challenges to the food and agricultural industry, and facilitate growth of the industry in Michigan while not sacrificing food safety, conservation, or the environment; and

Whereas, As the manufacturing sector tries to recover, now is not the time to risk diluting the effectiveness of current MDA programs and place Michigan’s agricultural industry at a potential disadvantage with other states; and

Whereas, We should recognize the behavior and tradition of problem-solving at MDA and encourage other state agencies to achieve that same level of excellence and accountability rather than increase inefficiencies and create impediments by merely merging departments; now, therefore, be it

Resolved by the Senate, That we express support for the Michigan Department of Agriculture remaining a distinct department within state government; and be it further

Resolved, That copies of this resolution be transmitted to the Governor and the Lieutenant Governor.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations and Reform,

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 resolution,

Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The resolution was adopted, a majority of the members voting therefor, as follows:

Roll Call No. 482

Yeas—27

Allen	Cropsey	Jelinek	Richardville
Anderson	Garcia	Kahn	Sanborn
Barcia	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Pappageorge	Van Woerkom
Brown	Hardiman	Patterson	Whitmer
Cassis	Jansen	Prusi	

Nays—10

Basham	Clark-Coleman	Jacobs	Switalski
Brater	Clarke	Olshove	Thomas
Cherry	Hunter		

Excused—0

Not Voting—0

In The Chair: President

Senators Birkholz, Cassis and Gleason were named co-sponsors of the resolution.

Senators Brown, Van Woerkom, Jelinek, Jansen, Richardville, Kuipers, McManus and Kahn offered the following concurrent resolution:

Senate Concurrent Resolution No. 22.

A concurrent resolution to express support for the continuation of the Department of Agriculture as a distinct department within state government.

Whereas, Agriculture is Michigan's second-largest industry. Agriculture generates more than \$70 billion of economic impact annually, employs more than 1 million people, and is one of the few growing and economically-dependable sectors of Michigan's battered economy; and

Whereas, Michigan's farms, farmlands, orchards, and nurseries produce more than 200 commercial commodities—second only to California in the diversity of its agricultural production—and leads the nation in the production of tart cherries, blueberries, squash, dry black beans, and nine other commodities; and

Whereas, For more than 88 years, the Michigan Department of Agriculture (MDA) has supported and facilitated the economic expansion of Michigan's agricultural industry and ensured an abundant and safe food supply for all Michigan residents. The MDA is home to experts who understand the complexities of our highly specialized and complex agricultural industry and who have earned the trust of various stakeholders. It has fostered relationships with producers, processors, researchers, and other industry professionals by collaboratively resolving problems for the good of the state, its residents, and the industry; and

Whereas, Beyond agriculture, agricultural production, food safety, conservation, and environmental roles, the MDA assumes many consumer protection responsibilities. The MDA works actively with the restaurant industry, gas stations, grocery stores, and other retailers making sure products sold and purchased by consumers are both safe and what they are advertised to be; and

Whereas, The people of the state of Michigan need and deserve an agency whose first priority is to ensure food safety and provide solutions for the complex issues in the food production system; and

Whereas, Any proposal to merge the MDA with another state department or dissolve the MDA would result in no short- or long-term gain for Michigan. Careful review of MDA programs shows that the department is extremely efficient, and other state departments should use MDA as a model for how efficiencies can be achieved. Michigan would be the only state with significant agricultural activity without an independent and focused agriculture department; and

Whereas, As our political and economic landscape will continue to change, a stable agriculture department is vital to maintain focus on food and agricultural issues and to ensure continued support for fundamental food safety and consumer protection programs; and

Whereas, The MDA has already absorbed a nearly 50 percent cut in general fund appropriations over the last decade. It is a credit to the department and its dedicated staff that, despite these cuts, the MDA has been able to maintain its high level of service, address new challenges to the food and agricultural industry, and facilitate growth of the industry in Michigan while not sacrificing food safety, conservation, or the environment; and

Whereas, As the manufacturing sector tries to recover, now is not the time to risk diluting the effectiveness of current MDA programs and place Michigan's agricultural industry at a potential disadvantage with other states; and

Whereas, We should recognize the behavior and tradition of problem-solving at MDA and encourage other state agencies to achieve that same level of excellence and accountability rather than increase inefficiencies and create impediments by merely merging departments; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we express support for the Michigan Department of Agriculture remaining a distinct department within state government; and be it further

Resolved, That copies of this resolution be transmitted to the Governor and the Lieutenant Governor.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations and Reform,

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 concurrent resolution,

Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The concurrent resolution was adopted, a majority of the members voting therefor, as follows:

Roll Call No. 483

Yeas—27

Allen	Cropsey	Jelinek	Richardville
Anderson	Garcia	Kahn	Sanborn
Barcia	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas

Bishop
Brown
Cassis

Gleason
Hardiman
Jansen

Pappageorge
Patterson
Prusi

Van Woerkom
Whitmer

Nays—10

Basham
Brater
Cherry

Clark-Coleman
Clarke
Hunter

Jacobs
Olshove

Switalski
Thomas

Excused—0

Not Voting—0

In The Chair: President

Senators Birkholz, Cassis and Gleason were named co-sponsors of the concurrent resolution.

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

The motion prevailed.

Senator Brown's statement is as follows:

I rise to speak to Senate Resolution No. 83 and Senate Concurrent Resolution No. 22, which are identical resolutions expressing support for the continuation of the Department of Agriculture as a distinct department within state government.

Recent comments from the administration about merging the Michigan Department of Agriculture (MDA) with the Departments of Natural Resources (DNR) and Environmental Quality (DEQ) have caused some measure of concern among stakeholders of the MDA, including agricultural producers, food processors, and agribusinesses. While we agree that state government needs to change and reform programs to operate more efficiently, the consolidation of MDA into these other departments will not yield efficiencies but would instead hamper an industry that is helping to sustain Michigan during these challenging times.

Agriculture contributes more than \$70 billion to our state's economy, making it our second-leading industry. Michigan agriculture employs more than 1 million people and is one of the few growing and reliable sectors in Michigan's economy. Beyond agriculture, agricultural production, food safety, conservation, and environmental roles, the MDA assumes many consumer protection responsibilities. The MDA works actively with the restaurant industry, gas stations, grocery stores, and other retailers making sure products are both safe and properly advertised. This important focus would risk being diminished in any merger or consolidation.

As our political and economic landscape will continue to change, a stable agriculture department is vital to maintain focus on food and agricultural issues and to ensure continued support for fundamental food safety and consumer protection programs. We should recognize the behavior and tradition of problem-solving at MDA and encourage other states agencies to achieve that same level of excellence and accountability, rather than increase inefficiencies and create impediments by merely merging departments.

Statements

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

The motion prevailed.

Senator Scott's statement is as follows:

Jeff Gerritt summed up our auto insurance problems in Michigan when he wrote in his *Detroit Free Press* column: "Setting rates by zip codes leads to some real absurdities, such as big differences in premiums for drivers living one

block south of 8 Mile in Detroit and one block north in Ferndale.” How much longer are we going to let this absurdity continue?

It isn't fair to the people of Detroit or the people of any other urban area in Michigan—Flint, Benton Harbor, Saginaw. Name the city and I'm sure you'll find this same problem. The people of these other cities might pay a little less for the auto insurance than the people of Detroit, but it still won't be fair because their cost is based on their address rather than their driving record.

Later this month, Michigan citizens will join me here at the Capitol to call for action on auto insurance reform. I hear from consumers throughout Michigan, and I'm sure that the people who join me at this rally will come from other cities as well as from Detroit. People across our state are calling for reasonable insurance rates. Imagine the goodwill that we could foster if we would only heed their calls. Imagine what good news it would be to our constituents who are struggling with job insecurity, health care costs, and college costs for their children, if we would reform auto insurance and give them a break on the high rates that they pay.

If we are here to do the people's work, then we must not delay any longer. There are things that we can't fix in our ailing economy, but we can do something about auto insurance rates. So let's do it now, in the next few weeks, so I can stand on the steps of this Capitol Building and tell the people that we have finally acted to help them.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Cropsy moved that when the Senate adjourns today, it stand adjourned until Wednesday, September 30, at 9:00 a.m.

The motion prevailed.

Committee Reports

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Education (HB 4438) submitted the following:

Meeting held on Sunday, September 27, 2009, at 1:45 p.m., House Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Jelinek, Brown and Switalski.

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Corrections (HB 4437) submitted the following:

Meeting held on Sunday, September 27, 2009, at 2:30 p.m., Room 424, Capitol Building

Present: Senators Cropsy, Kahn and Brater

COMMITTEE ATTENDANCE REPORT

The Conference Committee on General Government (SB 245) submitted the following:

Meeting held on Tuesday, September 29, 2009, at 10:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Pappageorge (C), Jansen and Cherry

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Human Services (SB 248) submitted the following:

Meeting held on Tuesday, September 29, 2009, at 9:30 a.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Hardiman (C), Kahn and Scott

Scheduled Meetings

Appropriations - Wednesday, September 30, 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-6960)

Conference Committee -

Transportation - Wednesday, September 30, 8:30 a.m., Senate Hearing Room, Ground Floor, Boji Tower (373-2768)

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

Subcommittee -

Medicare - Wednesday, September 30, 3:00 p.m., Room 927, South Tower, House Office Building (373-0575)

Senator Cropsey moved that the Senate adjourn.
The motion prevailed, the time being 8:37 p.m.

In pursuance of the order previously made, the President, Lieutenant Governor Cherry, declared the Senate adjourned until Wednesday, September 30, 2009, at 9:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

