

for a fiscal year not more than 30 additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours shall not be counted as hours of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of hours of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of hours of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(7) In providing the minimum number of hours of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(i) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(ii) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) The department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours of pupil instruction requirement of subsection (3) for a department-approved alternative education program. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours of pupil instruction actually provided to the minimum number of hours of pupil instruction required under subsection (3).

(10) A district may count up to 38 hours of qualifying professional development for teachers, including the 5 hours of online professional development provided by the Michigan virtual university under section 98, as hours of pupil instruction. However, if a collective bargaining agreement that provides more than 38 but not more than 51 hours of professional development for teachers is in effect for employees of a district as of the effective date of the 2006 amendatory act that amended this subsection, then until the fiscal year that begins after the expiration of that collective bargaining agreement a district may count up to 51 hours of qualifying professional development for teachers, including the 5 hours of online professional development provided by the Michigan virtual university under section 98, as hours of pupil instruction. A district that elects to use this exception shall notify the department of its election. As used in this subsection, “qualifying professional development” means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school’s accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Maintaining teacher certification.

### **388.1704 Compliance with federal no child left behind act of 2001; allocation of federal funds.**

Sec. 104. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2006-2007 an amount not to exceed \$19,500,000.00 for reimbursement to districts of costs associated with complying with sections 104a and 104b, sections 1279, 1279g, and 1280b of the revised school code, MCL 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. In addition, from the federal funds appropriated

in section 11, there is allocated for 2006-2007 an amount estimated at \$8,425,200.00, funded from DED-OESE, title VI, state assessments funds for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

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

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

### **388.1705 Counting nonresident pupils in membership; application for enrollment; procedures.**

Sec. 105. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing within the same intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing within the same intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing within the same intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents in that grade, school, or program:

(i) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a 15-day period from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program. The notice shall identify the 15-day period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program.

(C) Within 15 days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(ii) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to

accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing within the same intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program:

(i) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing within the same intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-day period.

(ii) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment that the applicant has been accepted for enrollment in the grade, school, or program and of the date by which the applicant must enroll in the district and the procedures for enrollment.

(3) If a district determines during the first semester of a school year that it has positions available for enrollment of a number of nonresidents residing within the same intermediate district, beyond those entitled to preference under this section, for the second semester of the school year, the district may accept applications from and enroll nonresidents residing within the same intermediate district for the second semester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) During the last 2 weeks of the first semester, the district shall accept applications from nonresidents residing within the same intermediate district for enrollment for the second semester in the available grades, schools, and programs.

(c) By the beginning of the second semester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll in the district for the second semester and notify the parent or legal guardian of each nonresident applicant residing within the same intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing within the same intermediate district may limit the number of nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant.

(6) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that

a district may refuse to admit a nonresident applicant if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant, at any time before enrolling under this section, has been expelled from another school.

(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester immediately preceding the school year or semester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants residing within the same intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance in a school, grade, or program does not exceed the positions available for nonresident pupils in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing within the same intermediate district eligible for acceptance exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district

shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) A district that, pursuant to this section, enrolls a nonresident pupil who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, shall be considered to be the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. Consistent with state and federal law, that district is responsible for developing and implementing an individualized education plan annually for a nonresident pupil described in this subsection.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

### **388.1705c Enrollment by nonresident applicants residing in district located in a contiguous intermediate district.**

Sec. 105c. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing in a district located in a contiguous intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing in a district located in a contiguous intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents under this section, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents under this section:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing in a district located in a contiguous intermediate district in a grade, school, or program, all



of the following apply to accepting applications for and enrollment of nonresidents under this section in that grade, school, or program:

(i) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a 15-day period from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program. The notice shall identify the 15-day period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program.

(C) Within 15 days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll under this section in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment under this section shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(ii) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing in a district located in a contiguous intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program under this section:

(i) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing in a district located in a contiguous intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-day period.

(ii) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment under this section that the applicant has been accepted for enrollment in the grade, school, or program and of the date by which the applicant must enroll in the district and the procedures for enrollment.

(3) If a district determines during the first semester of a school year that it has positions available for enrollment of a number of nonresidents residing in a district located in a contiguous intermediate district, beyond those entitled to preference under this section, for the second semester of the school year, the district may accept applications from and enroll nonresidents residing in a district located in a contiguous intermediate district for the second semester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester

may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) During the last 2 weeks of the first semester, the district shall accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment for the second semester in the available grades, schools, and programs.

(c) By the beginning of the second semester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll under this section in the district for the second semester and notify the parent or legal guardian of each nonresident applicant residing in a district located in a contiguous intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing in a district located in a contiguous intermediate district may limit the number of those nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant under this section.

(6) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant under this section if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant under this section if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant, at any time before enrolling under this section, has been expelled from another school.

(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.



(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester immediately preceding the school year or semester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants residing in a district located in a contiguous intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance under this section in a school, grade, or program does not exceed the positions available for nonresident pupils under this section in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing in a district located in a contiguous intermediate district eligible for acceptance under this section exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant under this section, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) In order for a district or intermediate district to enroll pursuant to this section a nonresident pupil who resides in a district located in a contiguous intermediate district and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the enrolling district shall have a written agreement with the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. The written agreement shall include, but is not limited to,

an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

(22) This section is repealed if the final decision of a court of competent jurisdiction holds that any portion of this section is unconstitutional, ineffective, invalid, or in violation of federal law.

(23) As used in this section, “district located in a contiguous intermediate district” means a district located in an intermediate district that is contiguous to the intermediate district in which a pupil’s district of residence is located.

### **388.1707 Allocation for adult education programs.**

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$24,000,000.00 for 2006-2007 for adult education programs authorized under this section.

(2) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the state technical institute and rehabilitation center.

(ii) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment-related program through a referral by an employer.

(iii) Is enrolled in an English as a second language program.

(iv) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(i) Is at least 20 years of age on September 1 of the school year.

(ii) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(3) Except as otherwise provided in subsection (4), from the amount allocated under subsection (1), \$22,500,000.00 shall be distributed as follows:

(a) For districts and consortia that received payments for 2005-2006 under this section, the amount allocated to each for 2006-2007 shall be based on the number of participants served by the district or consortium for 2006-2007, using the amount allocated per full-time equated participant under subsection (6), up to a maximum total allocation under this subsection in an amount equal to 107.1% of the amount the district or consortium received for 2005-2006 under this section before any reallocations made for 2005-2006 under subsection (4).

(b) A district or consortium that received funding in 2003-2004 under this section may operate independently of a consortium or join or form a consortium for 2006-2007. The allocation for 2006-2007 to the district or the newly formed consortium under this subsection shall be determined by the department of labor and economic growth and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2005-2006. A district or consortium described in this subdivision shall notify the department of labor and economic growth of its intention with regard to 2006-2007 by October 1, 2006.

(4) A district that operated an adult education program in 2005-2006 and does not intend to operate a program in 2006-2007 shall notify the department of labor and economic growth by October 1, 2006 of its intention. The funds intended to be allocated under this section to a district that does not operate a program in 2006-2007 and the unspent funds originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (3) shall instead be proportionately reallocated to the other districts described in subsection (3)(a) that are operating an adult education program in 2006-2007 under this section.

(5) From the amount allocated under subsection (1), \$1,500,000.00 shall be allocated as follows:

(a) At least \$1,300,000.00 shall be allocated for districts or consortia that did not receive payments for 2005-2006 under this section and that notify the department of labor and economic growth by October 1, 2006 of an intention to operate a program in 2006-2007 and provide an estimate of full-time equated participants to be served. The allocation for 2006-2007 shall be based on the number of participants served by the district or consortium for 2006-2007, using the amount allocated per full-time equated participant under subsection (6), up to a maximum total allocation under this subsection in an amount equal to \$1,400,000.00.

(b) Up to a maximum of \$200,000.00 shall be allocated for not more than 1 grant not to exceed \$200,000.00 for expansion of an existing innovative community college program that focuses on educating adults. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:

(i) Collaborates with local districts and businesses to determine area academic needs and to promote the learning opportunities.

(ii) Is located off-campus in an urban residential setting with documented high poverty and low high school graduation rates.

(iii) Provides general educational development (G.E.D.) test preparation courses and workshops.

(iv) Provides developmental courses taught by college faculty that prepare students to be successful in college-level courses.

(v) Uses learning communities to allow for shared, rather than isolated, learning experiences.

(vi) Provides on-site tutoring.

(vii) Provides access to up-to-date technology, including personal computers.

(viii) Partners with a financial institution to provide financial literacy education.

(ix) Assists students in gaining access to financial aid.

(x) Provides on-site academic advising to students.

(xi) Provides vouchers for reduced G.E.D. testing costs.

(xii) Partners with local agencies to provide referrals for social services as needed.

(xiii) Enrolls participants as students of the community college.

(xiv) Partners with philanthropic and business entities to provide capital funding.

(c) After October 1, 2006, if the department of labor and economic growth determines that there will be unspent funds under this subsection, then those unspent funds shall instead be proportionally reallocated to the districts or consortia that receive funds under subsection (3)(a) and under this subsection.

(6) The amount allocated under this section per full-time equated participant is \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(7) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by an appropriate assessment to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and tests participants to determine progress after every 90 hours of attendance, using assessment instruments approved by the department of labor and economic growth.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(i) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (11) until the participant meets 1 of the following:

(i) The participant is assessed as having attained basic English proficiency.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department of labor and economic growth shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(8) A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department of labor and economic growth before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer other tests after every 90 hours of attendance to determine a participant's readiness to take the G.E.D. test.

(c) A funding recipient shall receive funding according to subsection (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant passes the G.E.D. test.

(ii) The participant fails to show progress on 2 successive tests used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

(9) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) A funding recipient shall receive funding according to subsection (11) for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(10) A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (11) until 1 of the following occurs:

(i) The individual achieves the requisite skills as determined by appropriate assessment instruments administered at least after every 90 hours of attendance.

(ii) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department of labor and economic growth shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(11) A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency; for passage of the G.E.D. test; for passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

(12) As used in this section, “participant” means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(13) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (7), (8), (9), or (10) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(14) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(15) A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(16) A district or intermediate district receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A district or intermediate district may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A district or intermediate district may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

### **388.1721 Valuation of district; adjustments.**

Sec. 121. (1) The valuation of a whole or fractional district shall be the total taxable value of the property contained in the whole or fractional district as last determined by the state tax commission and placed on the ad valorem tax roll. For purposes of computations made under this act, except as provided in section 26, the taxable value of a district or intermediate district shall include the value of property used to calculate the tax imposed on lessees or users of tax-exempt property under 1953 PA 189, MCL 211.181 to 211.182, and the value of property used to calculate the state payment in lieu of taxes on state purchased property under section 2153 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2153. Adjustments to this taxable value shall be made for all of the following:

- (a) State tax tribunal decisions.
- (b) Court decisions.
- (c) Local board of review adjustments made after the state tax commission determination.
- (d) Lands deeded to the state for jurisdictions without delinquent tax revolving funds or for jurisdictions that have required repayment to the delinquent tax revolving funds.
- (e) The requirements of this act.

(2) Adjustments under subsection (1) shall not be made for more than the 6 state fiscal years immediately preceding the state fiscal year in which the adjustment is made, except that an adjustment pursuant to a state tax tribunal decision or court decision shall be made for the tax years involved in the decision and any subsequent years affected by the decision.

### **388.1747 Allocations to public school employees' retirement system.**

Sec. 147. The allocation for 2006-2007 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget. The annual level percentage of payroll contribution rate is estimated at 17.74% for the 2006-2007 state fiscal year. The portion of the contribution rate assigned to districts and intermediate districts for each fiscal year is all of the total percentage points. This contribution rate reflects an amortization period of 30 years for 2006-2007. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

### **388.1761a False report; court order.**

Sec. 161a. If a court determines that a person intentionally violated section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, by making a false report of the commission of a crime described in section 6(6)(f) knowing the report to be false for the purpose of having



a pupil counted in membership in a district under section 6(6)(f), as part of the restitution ordered under section 30 of chapter XIIA of 1939 PA 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or section 1a of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.1a, the court may order the person to pay the pupil's district of residence an amount that is not more than the state school aid that district would have received attributable to the pupil if the pupil had been counted in membership in his or her district of residence.

**388.1767 Plan for compliance with MCL 333.9209 and 380.1177; report of immunization status; districts subject to subsection (4); failure to comply with section; pupil relocated in state due to natural disaster.**

Sec. 167. (1) The department in cooperation with the department of community health shall develop plans to assist districts and intermediate districts and local county health departments to comply with section 1177 of the revised school code, MCL 380.1177, and section 9209 of the public health code, 1978 PA 368, MCL 333.9209, for each school year.

(2) Each district or intermediate district shall report to the local health department in which it is located by November 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2002-2003, who enrolled in grade 6 in the district or intermediate district for the first time, between January 1 and September 30 of the immediately preceding fiscal year. Not later than December 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2002-2003, of pupils who enrolled in grade 6 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 90% of the district's or intermediate district's entering pupils, as recorded in the November 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 90% of its pupils who enrolled in the district or intermediate district for the first time.

(3) Each district or intermediate district shall again report to the local health department in which it is located by February 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2002-2003, who enrolled in grade 6 in the district or intermediate district for the first time, between January 1 of the immediately preceding fiscal year and December 31 of the current fiscal year. Not later than March 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2002-2003, of pupils who enrolled in grade 6 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 95% of the district's or intermediate district's entering pupils, as recorded in the February 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 95% of its

pupils who enrolled in the district or intermediate district for the first time. If the department of community health is not able to report to the department by March 31 because a district or intermediate district fails to submit a report as required in this subsection, or submits an incomplete, inaccurate, or late report, the district or intermediate district is subject to subsection (4) until the report is submitted in a complete and accurate form.

(4) If a district or intermediate district does not comply with this section, the department shall withhold 5% of the total funds due to the district or intermediate district under this act after the date the department of community health reports a district's or intermediate district's noncompliance with this section to the department until the district or intermediate district complies with this section. If the district or intermediate district does not comply with this section by the end of the fiscal year, the district or intermediate district forfeits the total amount withheld.

### **Total state spending; payments to local units of government.**

Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00.

### **Repeal of MCL 388.1631b, 388.1633, 388.1699b, and 388.1705a.**

Enacting section 2. Sections 31b, 33, 99b, and 105a of the state school aid act of 1979, 1979 PA 94, MCL 388.1631b, 388.1633, 388.1699b, and 388.1705a, are repealed.

### **Effective date of act and sections.**

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2006.

(2) Sections 11, 15, 22a, 22b, 51a, 51c, 56, and 62 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1615, 388.1622a, 388.1622b, 388.1651a, 388.1651c, 388.1656, and 388.1662, as amended by this amendatory act, take effect upon enactment of this amendatory act.

This act is ordered to take immediate effect.

Approved August 15, 2006.

Filed with Secretary of State August 15, 2006.

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**[No. 343]**

**(SB 1086)**

AN ACT to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

*The People of the State of Michigan enact:*

## PART 1

## LINE-ITEM APPROPRIATIONS

**Appropriations; department of environmental quality.**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

## APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,561.7	
GROSS APPROPRIATION .....		\$ 444,229,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers ....		18,233,600
ADJUSTED GROSS APPROPRIATION.....		\$ 425,995,900
Federal revenues:		
Total federal revenues .....		140,338,500
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		450,000
Total other state restricted revenues.....		251,379,000
State general fund/general purpose .....		\$ 33,828,400
FUND SOURCE SUMMARY:		
Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,561.7	
GROSS APPROPRIATION .....		\$ 444,229,500
Interdepartmental grant revenues:		
IDG-MDCH, local public health operations .....		10,472,500
IDG-MDSP .....		719,800
IDG, Michigan transportation fund .....		1,020,800
IDT, interdivisional charges .....		2,053,400
IDT, laboratory services .....		3,967,100
Total interdepartmental grants and intradepartmental transfers ....		18,233,600
ADJUSTED GROSS APPROPRIATION.....		\$ 425,995,900
Federal revenues:		
DHHS, federal.....		6,100
DHS, federal.....		2,922,700
DOC-NOAA, federal .....		3,577,000
DOD, federal.....		1,091,800
DOI, federal .....		584,500
EPA, brownfield cleanup revolving loan fund .....		1,000,000
EPA, multiple.....		131,156,400
Total federal revenues .....		140,338,500
Special revenue funds:		
Private funds .....		450,000
Total private revenues.....		450,000
Aboveground storage tank fees .....		733,700

	For Fiscal Year Ending Sept. 30, 2007
Air emissions fees.....	\$ 12,197,800
Aquifer protection revolving fund.....	400,000
Campground fund.....	230,700
Clean Michigan initiative - administration.....	1,111,700
Clean Michigan initiative - clean water fund.....	3,276,900
Clean Michigan initiative - pollution prevention activities.....	100,000
Clean Michigan initiative - response activities.....	14,411,000
Cleanup and redevelopment fund.....	11,192,300
Community pollution prevention fund.....	250,000
Environmental pollution prevention fund.....	1,965,700
Environmental protection bond fund.....	15,500,000
Environmental protection fund.....	5,780,400
Environmental response fund.....	9,647,600
Fees and collections.....	533,400
Financial instruments.....	5,000,000
Great Lakes protection fund.....	2,563,200
Groundwater discharge permit fees.....	1,912,300
Hazardous materials transportation permit fund.....	211,200
Laboratory data quality recognition fund.....	15,700
Land and water permit fees.....	2,364,800
Landfill maintenance trust fund.....	54,000
Medical waste emergency response fund.....	230,400
Metallic mining surveillance fee revenue.....	91,000
Mineral well regulatory fee revenue.....	238,000
Nonferrous metallic mineral surveillance.....	210,500
NPDES fees.....	3,238,300
Oil and gas regulatory fund.....	7,582,000
Orphan well fund.....	2,041,200
Public swimming pool fund.....	525,300
Public utility assessments.....	777,600
Public water supply fees.....	3,873,800
Publication revenue.....	116,400
Refined petroleum fund.....	30,272,100
Restricted funds.....	17,787,800
Retired engineers technical assistance fund.....	1,474,300
Revolving loan revenue bonds.....	11,400,000
Saginaw Bay and River restoration revenue.....	169,900
Sand extraction fee revenue.....	196,300
Scrap tire regulatory fund.....	5,797,400
Septage waste contingency fund.....	36,600
Septage waste license fees.....	1,835,800
Settlement funds.....	2,037,000
Sewage sludge land application fee.....	823,700
Small business pollution prevention revolving loan fund.....	104,000
Soil erosion and sedimentation control training fund.....	111,400
Solid waste program fees.....	4,322,000
Stormwater permit fees.....	2,720,800
Strategic water quality initiatives fund.....	50,015,300

	For Fiscal Year Ending Sept. 30, 2007
Underground storage tank fees .....	\$ 3,028,200
Waste reduction fee revenue.....	4,241,500
Wastewater operator training fees .....	168,100
Water analysis fees .....	3,214,100
Water pollution control revolving fund .....	2,982,400
Water quality protection fund.....	25,000
Water use reporting fees .....	238,400
Total other state restricted revenues.....	251,379,000
State general fund/general purpose .....	\$ 33,828,400

### **Executive operations and department support.**

#### **Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	78.0
Unclassified salaries—6.0 FTE positions .....	\$ 482,600
Administrative hearings.....	422,600
Automated data processing .....	2,053,400
Central operations—62.0 FTE positions .....	6,660,400
Environmental support projects.....	5,000,000
Executive direction—9.0 FTE positions .....	2,171,600
Human resource optimization user charges.....	96,000
Office of the Great Lakes—7.0 FTE positions .....	973,700
Grant to Michigan legislative council for environmental ombudsman	200,000
Building occupancy charges.....	7,910,000
Rent - privately owned property.....	2,066,900
<b>GROSS APPROPRIATION.....</b>	<b>\$ 28,037,200</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDT, interdivisional charges .....	2,053,400
IDT, laboratory services .....	499,900
Federal revenues:	
DOI, federal .....	155,400
EPA, multiple.....	268,600
Special revenue funds:	
Environmental protection fund.....	200,000
Financial instruments .....	5,000,000
Great Lakes protection fund .....	563,200
Restricted funds.....	13,476,900
Settlement funds.....	101,200
State general fund/general purpose .....	\$ 5,718,600

### **Air quality.**

#### **Sec. 103. AIR QUALITY**

Full-time equated classified positions .....	241.5
Air quality programs—241.5 FTE positions.....	\$ 23,998,500
<b>GROSS APPROPRIATION.....</b>	<b>\$ 23,998,500</b>

**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoes."

For Fiscal Year  
Ending Sept. 30,  
2007

Appropriated from:

Federal revenues:

DHS, federal.....	\$	1,400,000
EPA, multiple.....		4,358,900

Special revenue funds:

Air emissions fees.....		11,459,100
Environmental response fund.....		102,400
Fees and collections.....		393,600
Oil and gas regulatory fund.....		103,600
Refined petroleum fund.....		2,747,500
State general fund/general purpose.....	\$	3,433,400

**Environmental science and services.**

**Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES**

Full-time equated classified positions.....		184.0
Program services and grant management—27.5 FTE positions.....	\$	3,352,700
Laboratory services—68.0 FTE positions.....		6,609,600
Municipal assistance—35.5 FTE positions.....		5,227,800
Pollution prevention and technical assistance—53.0 FTE positions....		5,110,800
Pollution prevention outreach.....		300,000
Retired engineers technical assistance program.....		1,474,300
Revitalization revolving loan program.....		1,000,000
Brownfield grants and loans program.....		8,811,000
GROSS APPROPRIATION.....	\$	<u>31,886,200</u>

Appropriated from:

Interdepartmental grant revenues:

IDT, laboratory services.....		3,467,200
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Federal revenues:

DOC-NOAA, federal.....		343,600
EPA, brownfield cleanup revolving loan fund.....		1,000,000
EPA, multiple.....		3,344,000

Special revenue funds:

Private funds.....		300,000
Air emissions fees.....		738,700
Clean Michigan initiative - administration.....		169,600
Clean Michigan initiative - response activities.....		8,811,000
Environmental protection fund.....		66,600
Environmental response fund.....		644,800
Laboratory data quality recognition fund.....		15,700
Public water supply fees.....		244,200
Retired engineers technical assistance fund.....		1,474,300
Settlement funds.....		227,400
Small business pollution prevention revolving loan fund.....		104,000
Stormwater permit fees.....		93,200
Strategic water quality initiatives fund.....		215,300
Waste reduction fee revenue.....		4,169,700
Wastewater operator training fees.....		168,100
Water analysis fees.....		3,214,100
Water pollution control revolving fund.....		2,333,100
State general fund/general purpose.....	\$	741,600



For Fiscal Year  
Ending Sept. 30,  
2007

### Office of geological survey.

#### Sec. 105. OFFICE OF GEOLOGICAL SURVEY

Full-time equated classified positions.....	68.0	
Coal and sand dune management—3.0 FTE positions .....		\$ 619,600
Metallic mine reclamation—1.0 FTE position .....		91,000
Mineral wells management—3.0 FTE positions .....		238,000
Nonferrous metallic mining—2.0 FTE positions .....		210,500
Orphan well—2.0 FTE positions.....		2,041,200
Services to oil and gas—57.0 FTE positions .....		7,243,500
GROSS APPROPRIATION.....		\$ 10,443,800
Appropriated from:		
Federal revenues:		
DOI, federal .....		423,300
Special revenue funds:		
Metallic mining surveillance fee revenue .....		91,000
Mineral well regulatory fee revenue.....		238,000
Nonferrous metallic mineral surveillance .....		210,500
Oil and gas regulatory fund .....		7,127,100
Orphan well fund .....		2,041,200
Publication revenue.....		116,400
Sand extraction fee revenue.....		196,300
State general fund/general purpose .....		\$ 0

### Land and water management.

#### Sec. 106. LAND AND WATER MANAGEMENT

Full-time equated classified positions.....	129.0	
Program direction—8.0 FTE positions.....		\$ 904,500
Field permitting and project assistance—72.0 FTE positions .....		7,221,000
Great Lakes shorelands—28.0 FTE positions .....		2,559,000
Water management—21.0 FTE positions .....		2,618,800
GROSS APPROPRIATION.....		\$ 13,303,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG, Michigan transportation fund .....		968,000
Federal revenues:		
DHS, federal.....		966,400
DOC-NOAA, federal .....		1,450,100
EPA, multiple.....		1,007,500
Special revenue funds:		
Environmental protection fund .....		1,613,800
Land and water permit fees .....		1,897,400
State general fund/general purpose .....		\$ 5,400,100

### Remediation and redevelopment.

#### Sec. 107. REMEDIATION AND REDEVELOPMENT

Full-time equated classified positions.....	297.5	
Contaminated site investigation, cleanup, and revitalization— 230.5 FTE positions.....		\$ 22,471,700
Federal cleanup project management—67.0 FTE positions.....		8,139,700

	For Fiscal Year Ending Sept. 30, 2007
Emergency cleanup actions .....	\$ 4,000,000
Refined petroleum product cleanup program.....	22,000,000
Environmental cleanup and redevelopment program.....	21,100,000
State cleanup 451 .....	2,500,000
Superfund cleanup .....	4,000,000
Little Black Creek.....	35,000
City of St. Louis water supply wells.....	300,000
City of St. Clair Shores - Lange-Revere canals.....	500,000
GROSS APPROPRIATION .....	\$ 85,046,400
Appropriated from:	
Federal revenues:	
DHHS, federal.....	6,100
DOD, federal.....	1,081,900
EPA, multiple.....	8,403,500
Special revenue funds:	
Private funds .....	150,000
Clean Michigan initiative - administration.....	351,600
Clean Michigan initiative - response activities .....	5,600,000
Cleanup and redevelopment fund .....	11,192,300
Environmental protection bond fund .....	15,500,000
Environmental protection fund .....	3,700,000
Environmental response fund .....	8,609,900
Landfill maintenance trust fund .....	54,000
Refined petroleum fund.....	26,600,700
Settlement funds.....	1,458,400
State general fund/general purpose .....	\$ 2,338,000

**Waste and hazardous materials.**

**Sec. 108. WASTE AND HAZARDOUS MATERIALS**

Full-time equated classified positions .....	183.5
Aboveground storage tank program—8.0 FTE positions .....	\$ 733,700
Hazardous waste management program—61.0 FTE positions .....	6,249,200
Low-level radioactive waste authority—2.0 FTE positions .....	777,600
Medical waste program .....	230,400
Radiological protection program—16.5 FTE positions.....	1,383,600
Scrap tire regulatory program—11.0 FTE positions .....	1,021,800
Solid waste management program—50.0 FTE positions .....	4,393,800
Underground storage tank program—35.0 FTE positions.....	3,288,900
GROSS APPROPRIATION.....	\$ 18,079,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP .....	719,800
Federal revenues:	
EPA, multiple.....	3,875,800
Special revenue funds:	
Aboveground storage tank fees .....	733,700

**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

		For Fiscal Year Ending Sept. 30, 2007
Environmental pollution prevention fund .....	\$	1,965,700
Hazardous materials transportation permit fund .....		211,200
Medical waste emergency response fund .....		230,400
Public utility assessments .....		777,600
Scrap tire regulatory fund .....		1,021,800
Solid waste program fees .....		4,322,000
Underground storage tank fees .....		3,028,200
Waste reduction fee revenue .....		71,800
State general fund/general purpose .....	\$	1,121,000

**Water.****Sec. 109. WATER**

Full-time equated classified positions .....	358.2	
Aquifer protection program .....		\$ 350,000
Aquifer protection and dispute resolution - IDG to Michigan department of agriculture .....		50,000
Drinking water and environmental health—114.2 FTE positions....		16,463,100
Fish contaminant monitoring .....		316,100
Groundwater discharge—22.0 FTE positions .....		2,048,300
NPDES nonstormwater program—121.4 FTE positions .....		10,578,900
Sewage sludge land application program—6.5 FTE positions .....		823,700
Surface water—94.1 FTE positions .....		15,083,900
GROSS APPROPRIATION .....		\$ 45,714,000
Appropriated from:		
Federal revenues:		
EPA, multiple .....		19,030,200
Special revenue funds:		
Aquifer protection revolving fund .....		400,000
Campground fund .....		230,700
Clean Michigan initiative - administration .....		590,500
Clean Michigan initiative - clean water fund .....		3,276,900
Environmental response fund .....		162,400
Fees and collections .....		139,800
Groundwater discharge permit fees .....		1,912,300
Land and water permit fees .....		467,400
NPDES fees .....		3,238,300
Public swimming pool fund .....		525,300
Public water supply fees .....		2,229,600
Refined petroleum fund .....		840,200
Saginaw Bay and River restoration revenue .....		169,900
Septage waste contingency fund .....		36,600
Septage waste license fees .....		310,800
Sewage sludge land application fee .....		823,700
Soil erosion and sedimentation control training fund .....		111,400
Stormwater permit fees .....		2,627,600
Water pollution control revolving fund .....		649,300
Water use reporting fees .....		238,400
State general fund/general purpose .....	\$	7,702,700

For Fiscal Year  
Ending Sept. 30,  
2007

**Criminal investigations.**

**Sec. 110. CRIMINAL INVESTIGATIONS**

Full-time equated classified positions.....	22.0	
Environmental investigations—22.0 FTE positions.....		\$ 2,504,600
<b>GROSS APPROPRIATION.....</b>		<b>\$ 2,504,600</b>
Appropriated from:		
Federal revenues:		
DHS, federal.....		539,000
EPA, multiple.....		149,000
Special revenue funds:		
Environmental response fund.....		128,100
Oil and gas regulatory fund.....		351,300
Scrap tire regulatory fund.....		275,600
State general fund/general purpose.....		\$ 1,061,600

**Grants.**

**Sec. 111. GRANTS**

Coastal management grants.....		\$ 2,000,000
Federal - Great Lakes remedial action plan grants.....		700,000
Federal - nonpoint source water pollution grants.....		6,500,000
Grants to counties - air pollution.....		83,700
Radon grants.....		90,000
Water pollution control and drinking water revolving fund.....		97,179,900
Drinking water program grants.....		1,330,000
Great Lakes research and protection grants.....		2,000,000
Household hazardous waste collection program.....		100,000
Local health department operations.....		10,472,500
Muskegon County.....		200,000
Noncommunity water grants.....		1,400,000
Pollution prevention local grants.....		250,000
Real-time water quality monitoring.....		250,000
Septage waste compliance grants.....		1,525,000
Scrap tire grants.....		4,500,000
Strategic water quality initiative loans.....		9,800,000
Strategic water quality initiative grants.....		40,000,000
Volunteer river, stream, and creek cleanup.....		25,000
<b>GROSS APPROPRIATION.....</b>		<b>\$ 178,406,100</b>
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDCH, local public health operations.....		10,472,500
Federal revenues:		
DOC-NOAA, federal.....		1,700,000
EPA, multiple.....		88,920,000
Special revenue funds:		
Clean Michigan initiative - pollution prevention activities.....		100,000
Community pollution prevention fund.....		250,000

**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoes."

	For Fiscal Year Ending Sept. 30, 2007
Environmental protection fund.....	\$ 200,000
Great Lakes protection fund .....	2,000,000
Public water supply fees .....	1,400,000
Refined petroleum fund.....	83,700
Revolving loan revenue bonds .....	11,400,000
Scrap tire regulatory fund .....	4,500,000
Septage waste license fees.....	1,525,000
Settlement funds.....	250,000
Strategic water quality initiatives fund .....	49,800,000
Water quality protection fund.....	25,000
State general fund/general purpose .....	\$ 5,779,900

### **Information technology.**

#### **Sec. 112. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$ 6,810,400
GROSS APPROPRIATION .....	\$ 6,810,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG, Michigan transportation fund .....	52,800
Federal revenues:	
DHS, federal.....	17,300
DOC-NOAA, federal .....	83,300
DOD, federal.....	9,900
DOI, federal.....	5,800
EPA, multiple.....	1,798,900
Special revenue funds:	
Restricted funds.....	4,310,900
State general fund/general purpose .....	\$ 531,500

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### **GENERAL SECTIONS**

#### **Total state spending; payments to local units of government.**

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 2006-2007 is \$285,207,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$5,958,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

#### DEPARTMENT OF ENVIRONMENTAL QUALITY REMEDICATION AND REDEVELOPMENT

City of St. Louis water supply wells.....	\$ 300,000
City of St. Clair Shores - Lange-Revere canals.....	500,000

## WASTE AND HAZARDOUS MATERIALS

Radiological protection program.....	\$	25,000
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## GRANTS

Household hazardous waste collection program .....	\$	100,000
Grants to counties - air pollution .....		83,700
Muskegon County.....		200,000
Noncommunity water grants.....		1,400,000
Real-time water quality monitoring.....		250,000
Scrap tire grants.....		1,575,000
Septage waste compliance program.....		1,525,000
TOTAL .....	\$	5,958,700

**Appropriations subject to MCL 18.1101 to 18.1594.**

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.

**Definitions.**

Sec. 203. As used in this act:

- (a) "Department" means the department of environmental quality.
- (b) "DHHS" means the United States department of health and human services.
- (c) "DHS" means the United States department of homeland security.
- (d) "DOC" means the United States department of commerce.
- (e) "DOC-NOAA" means the DOC national oceanic and atmospheric administration.
- (f) "DOD" means the United States department of defense.
- (g) "DOI" means the United States department of interior.
- (h) "EPA" means the United States environmental protection agency.
- (i) "FTE" means full-time equated.
- (j) "IDG" means interdepartmental grant.
- (k) "IDT" means intradepartmental transfer.
- (l) "MDCH" means the Michigan department of community health.
- (m) "MDSP" means the Michigan department of state police.
- (n) "MI" means Michigan.
- (o) "NPDES" means national pollutant discharge elimination system.

**Billing by department of civil service.**

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

**Hiring freeze; exceptions.**

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



(2) The state budget director shall grant exceptions to the hiring freeze described in subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

### **Reporting requirements; use of Internet.**

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

### **Receipt and retention of reports.**

Sec. 207. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

### **Restricted fund balances, projected revenues, and expenditures; report.**

Sec. 208. By February 15, 2007, the department shall provide the state budget director, the subcommittees on environmental quality of the senate and house appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2006 and September 30, 2007.

### **Grant or loan programs; report.**

Sec. 209. (1) From funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant or loan or grant and loan programs administered by the department for the fiscal year ending September 30, 2007:

- (a) The name of each program.
- (b) The goals of the program, the criteria, eligibility, process, filing fees, nominating procedures, and deadlines for each program.
- (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
- (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
- (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
- (f) The source of funds for each program, including the citation of pertinent authorizing acts.
- (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.

(h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan.

(2) The reports required under this section shall be submitted to the state budget office, the senate and house appropriations committees, and senate and house fiscal agencies by January 1, 2007.

### **Water diversion from Great Lakes; notification of request.**

Sec. 210. The department shall notify the legislature and shall provide a public meeting and public comment opportunity with respect to any request received by the state of Michigan to divert water from the Great Lakes pursuant to the water resources development act of 1986, Public Law 99-662, 100 Stat. 4082.

### **Information relating to certain cleanup programs; report.**

Sec. 211. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

- (a) The name and location of the site for which an allocation is made.
- (b) The nature of the problem encountered at the site.
- (c) A brief description of how the problem will be resolved if the allocation is made for a response activity.
- (d) The estimated date that site closure activities will be completed.
- (e) The amount of the allocation, or the anticipated financing for the site.
- (f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
- (g) The number of sites that would qualify as brownfields that were redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

### **Unexpended and unencumbered amounts from certain program allocations; expenditures.**

Sec. 212. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program and the leaking underground storage tank cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund and unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 52, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, and 2005 PA 11 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

#### **Michigan youth conservation council; allocation.**

Sec. 213. Of the money appropriated from the environmental education fund in part 1, \$5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

#### **Technology-related services and projects; payment of user fees to department of information technology.**

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

#### **Information technology; designation of amounts as work project; carrying forward amounts to support department of environmental quality technology projects.**

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of environmental quality technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

#### **Out-of-state travel.**

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

### **Purchase of foreign goods or services.**

Sec. 217. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

### **Removal of Michigan's Great Lakes areas of concern from federal listing.**

Sec. 218. The department shall collaborate with the statewide public advisory council, local advisory councils, the United States environmental protection agency, and other appropriate federal agencies, the department of natural resources, and other appropriate parties to develop a long-term strategy to restore and formally remove Michigan's Great Lakes areas of concern from the federal listing. Among other information, the strategy should include a list of cleanup, source control, monitoring, and assessment activities eligible for funding under the federal Great Lakes legacy act; their estimated cost; options for meeting any nonfederal funding match requirements for these activities, including recommendations for changes to existing appropriations and program expenditures to qualify as matching funds for federal grant programs; a description of the optimum staffing level for the areas of concern program and available funding options; and a description of the department's role in seeking the formal removal of areas of concern, or specific beneficial use impairments, from the federal list, including minimum cleanup goals for identified impairments based on

applicable state and federal regulatory standards and the monitoring programs available for assessing progress in achieving those goals. In addition, the department shall strive to apply for an equitable share of federal funding and technical assistance available to support the area of concern program and strive to provide the funds needed to meet nonfederal funding requirements.

#### **Communication of employee with legislative member or staff.**

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

#### **Civil and criminal fine revenue collected; report.**

Sec. 220. The department shall annually report to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies an accounting of all civil and criminal fine revenue collected during the year.

#### **Carrying forward unexpended settlement revenues.**

Sec. 221. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of \$2,500,000.00.

Sec. 222. From the funds appropriated in part 1, the department shall expend not more than \$50,000.00 to hire a consulting firm to complete a benchmark study on the air permit, NPDES, and wetland permit programs. This study shall include a calculation of the department's per-permit cost to process the permits, a listing of the timeliness of the process from receipt of permit application to award or denial of permit, and a comparison of Michigan's performance and practices to those of other Great Lakes states. By December 1, 2006, the department shall issue a request for proposals and select an individual or entity as consultant to perform the benchmark analysis. The consultant selected to perform the benchmark analysis shall be Michigan-based and have a proven ability to evaluate regulatory activities and make recommendations for improvement. This benchmark study shall be completed and submitted to the legislature by March 31, 2007. A stakeholder panel shall be established to assist the consultant in developing this benchmark study. The stakeholder panel shall have a total of 7 members as follows:

(a) Two individuals appointed by the speaker of the house, 1 representing permit holders and 1 representing small business.

(b) Two individuals appointed by the senate majority leader, 1 representing permit holders and 1 with performance audit experience.

(c) Three individuals appointed by the governor, consisting of 2 employees of the department and 1 person representing the general public.

#### **Joint agreement to pursue regulatory innovation.**

Sec. 223. It is the intent of the legislature that, on or before January 1, 2007, the department renew the joint agreement, which was initially signed in January 2002, of the United States environmental protection agency and the state to pursue regulatory innovation. It is the intent that the agreement be renewed in a substantially similar form to uphold the principal tenets of the agreement, including, but not limited to, helping farms and farm operations voluntarily prevent or minimize agricultural pollution risks.

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**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

**Businesses in deprived and depressed communities; contracts to provide services or supplies.**

Sec. 225. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities and Baldwin in Lake County compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

**Restricted fund appropriations.**

Sec. 226. (1) The appropriation in section 102 includes \$13,476,900.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for selected line items in the executive operations and administrative support appropriation unit.

(2) The appropriation in section 113 includes \$4,310,900.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for the information technology appropriation.

(3) The department shall adopt a cost allocation plan for revenue sources supporting line items listed in sections 102 and 113. This cost allocation plan may be phased in over 3 fiscal years, beginning with the fiscal year ending September 30, 2007.

(4) The department shall provide a report on or before October 31, 2006 to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies of the line item amounts and detailed revenue sources which support the restricted fund appropriations in sections 102 and 113.

**Oil or alternative fuels refinery; identification of required permits.**

Sec. 227. The department shall submit to the legislature a report that identifies permits that would be required to construct and operate a new oil or alternative fuels refinery in Michigan and recommends legislation and other measures that can be taken by this state to expedite or facilitate the processing of these permits. This report shall be prepared in consultation with the United States environmental protection agency and submitted to the house and senate appropriations subcommittees on environmental quality on or before April 30, 2007.

**Rules, policies, guidelines, or procedures.**

Sec. 229. The department of environmental quality shall not expend funds to enforce administrative rules, policies, guidelines, or procedures that are more stringent than 40 CFR parts 9, 122, 123, and 412, as finally promulgated. The department shall not implement or enforce administrative rules, policies, guidelines, or procedures that do 1 or more of the following:

(a) Require a farm to obtain a national pollution discharge elimination system permit under part 31 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.3101 to 324.3133, if the farm has not been found by the department to have a regulated discharge of pollutants into waters of this state.

(b) Require submission of field specific information beyond on-site access to the department.

(c) Exceed the agricultural stormwater exemption as defined in the clean water act, 33 USC 1251 to 1387.

## AIR QUALITY

### **Air quality program expenditures and revenues; report.**

Sec. 401. The department shall report quarterly, via the department's Internet website, on air quality program expenditures and revenues. The report shall include expenditures and revenues by fund source and by program function.

## ENVIRONMENTAL SCIENCE AND SERVICES

### **Implementation of Great Lakes water quality bond; report.**

Sec. 501. By July 1, 2007, the department shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department of environmental quality, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

### **Laboratory services; carrying forward revenues remaining in interdepartmental transfers.**

Sec. 502. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

### **Compliance guide for fruit and vegetable processing sector; publication; compliance guides for other small business categories; development.**

Sec. 503. From the funds appropriated in part 1, the department, in cooperation with the department of agriculture, shall publish by September 30, 2007 an environmental regulatory compliance guide for the fruit and vegetable processing sector. This guide will cross-reference the updated 2006 edition of the "Michigan Manufacturers Guide to Environmental, Health and Safety Regulations". The department will develop by April 30, 2007 a plan and schedule to develop compliance guides for other small business categories. The guides shall provide information to assist small businesses in complying with state environmental regulatory requirements, including requirements pertaining to wetlands, and shall explain in plain language the actions a small business in each sector is required to take to comply with state regulatory requirements, including how to obtain necessary permits.



**Brownfield grants and loans program; carrying forward unexpended funds.**

Sec. 504. The unexpended funds appropriated in part 1 for the brownfield grants and loans program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is \$8,811,000.00.
- (d) The tentative completion date is September 30, 2011.

**LAND AND WATER MANAGEMENT****Stream habitat improvement projects; waiver of permit fees for non-profit organizations.**

Sec. 601. The department may waive permit fees for nonprofit organizations conducting approved stream habitat improvement projects.

**Beach grooming practices; report.**

Sec. 602. The department shall provide a report that defines appropriate beach grooming practices to the senate and house appropriations subcommittees on environmental quality and the senate and house fiscal agencies by April 30, 2007. These beach grooming practices shall be developed in consultation with beach grooming interest groups.

**REMEDICATION AND REDEVELOPMENT****Emergency cleanup actions, refined petroleum product cleanup program, and environmental cleanup and redevelopment program; carrying forward unexpended funds.**

Sec. 701. The unexpended funds appropriated in part 1 for emergency cleanup actions, the refined petroleum product cleanup program, and the environmental cleanup and redevelopment program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 2011.

**Area-wide or site-specific cleanup criteria; incorporation into remedial action plans; basis; report.**

Sec. 702. From funds appropriated in part 1 for activities related to cleanup sites under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, the department shall incorporate into remedial action plans area-wide or site-specific cleanup criteria derived from peer-reviewed risk assessment based on bioavailability studies, site-specific human exposure data, and any other scientifically based risk assessment studies that are available and relevant. The department shall submit a report listing efforts made by the department to comply with this section. This report shall be provided to the house and senate appropriations subcommittees on environmental quality on or before January 1, 2007.

**City of St. Louis water supply wells; use of appropriation toward cost of procuring alternative water supply.**

Sec. 703. The appropriation in part 1 for the city of St. Louis water supply wells shall be used toward the cost of procuring an alternative water supply.

**Refined petroleum product cleanup program; listing of cleanup sites.**

Sec. 704. Within 60 days of enactment of legislation establishing a permanent cleanup program supported by the refined petroleum fund, the department shall submit a listing of cleanup sites funded from the appropriation in part 1 for the refined petroleum product cleanup program to the senate and house appropriations subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director.

**Cleanup activities; sites.**

Sec. 705. The funds appropriated in part 1 for the environmental cleanup and redevelopment program shall be used to fund cleanup activities on the following sites:

<b>Site Name</b>	<b>County</b>
Former Parts Manufacturing	Alcona
Wayland Recycling	Allegan
Portside Cleaners	Antrim
Village of Mancelona	Antrim
Wickes Manufacturing Mancelona	Antrim
Kavco Landfill	Barry
Residential Wells Niles 3rd St	Berrien
Truck Terminals	Berrien
Butler Motor Speedway	Branch
Marshall Iron & Metal	Calhoun
Cass St Area Edwardsburg	Cass
Henco Enterprises	Cass
Southwest Cass Co Landfill	Cass
U.S. Aviex	Cass
Gladstone Creosote Discharge	Delta
Gladwin Bulk Oil Plant State St	Gladwin
Alma Iron Metal Smith Property	Gratiot
Gratiot County Landfill	Gratiot
Gratiot Metals Property	Gratiot
Americhem Corporation	Ingham
E.A. Woods	Iosco
Hedblum Industries	Iosco
Residential Wells Bachman Rd	Iosco
Buck Mine Discharge	Iron

Jourdian	Isabella
Horton Company	Jackson
Ryerson-Haynes	Jackson
Lakeside Refining	Kalamazoo
North 34th St Area Richland	Kalamazoo
Schoolcraft Area Organics Contamination	Kalamazoo
Franklin Metal Trading Corp (CEMSI)	Kent
Smiths Industries	Kent
Sparta Foundry (Federal Mogul)	Kent
Wash King Laundry	Lake
Howard Street Area	Lapeer
Grand Traverse Overall Supply	Leelanau
Adrian Dry Cleaner	Lenawee
Residential Wells Holly Road	Livingston
Mason County Landfill	Mason
Crystal Refinery	Montcalm
Peerless Plating	Muskegon
Story/Ott/Cordova Chemical Co	Muskegon
Zephyr, Inc (Naph-Sol Refining)	Muskegon
Coe's Cleaners	Oakland
Rockcroft Street Residential Wells	Oakland
Sanicem Landfill	Oakland
Six Star Landfill (AKA) Stan's Trucking	Oakland
Waterford Hills Sanitary Landfill	Oakland
Franklin Forge	Ogemaw
Hoskins Manufacturing	Oscoda
Fenske Landfill Ottawa Co	Ottawa
Former Burnside Manufacturing Co	Ottawa
MDOT M13 Ramps	Saginaw
National Plate Glass (L.A. Davidson)	Saginaw
Black River St 2381	Sanilac
Magnetek	Shiawassee
Fort Gratiot Sanitary Landfill	St. Clair
Huron Development Landfill	St. Clair
Winchester Disposal	St. Clair
Belgravia (former Hamlin Overton)	Van Buren
Green Acres Subdivision	Van Buren
CYB Tool (former)	Wayne
Feister Oil Co	Wayne
AAR Cadillac Manufacturing	Wexford
Cadillac Area Groundwater Contamination - Rexair	Wexford
Mitchell Bentley - Cadillac	Wexford
Formerly Used Defense Sites	Statewide

## **WASTE AND HAZARDOUS MATERIALS**

### **Order to suspend or red tag sale of petroleum products; notification.**

Sec. 801. The department shall notify the members of the senate and house of representatives of the appropriate district at least 48 hours in advance of a departmental order

which suspends or red tags any wholesale or retail sale of petroleum products. If imminent public health and safety concerns require action on a department order in less than 48 hours, the department shall notify the appropriate members of the senate and house of representatives of the department order within 48 hours after the action is completed.

**Recommendations of site review board as final approval for site construction permit application.**

Sec. 802. It is the intent of the legislature that the recommendations of the site review board, as established in section 11117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11117, are the final approval for each site construction permit application that is referred to the board by the department.

**Report to city of Romulus, city of Taylor, and Wayne County; contents.**

Sec. 803. The department shall annually provide a report to the city of Romulus, city of Taylor, and Wayne County containing all of the following:

(a) Information concerning the release or discharge of any hazardous waste or hazardous waste constituent that may endanger public drinking water supplies or the environment.

(b) Information concerning the fire, explosion, or other release or discharge of any hazardous waste or hazardous waste constituent that could threaten human health or the environment or a spill that has reached surface water or groundwater.

(c) A summary of groundwater quality data, data graphs, data tables, statistical analyses to date, and identification of any statistically significant increases.

(d) With respect to the information described in subdivisions (a) to (c), a description of any noncompliance and its cause; the periods of noncompliance, including exact dates and times; whether the noncompliance has been corrected and, if not, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance and when those activities occurred or will occur.

## **WATER**

**National pollutant discharge elimination system fund; use; report.**

Sec. 901. By February 1, 2007, the department shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

**Safe drinking water assistance activities; availability of funds for technical assistance.**

Sec. 902. Of the funds appropriated in part 1 for safe drinking water assistance activities under part 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5401 to 324.5418, the department shall allocate the full 2% available for technical assistance under 42 USC 300j-12.

**GRANTS**

**Expenditures under septage waste compliance program.**

Sec. 1101. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

**Scrap tire fire suppression costs.**

Sec. 1102. Of the funds appropriated in part 1 for scrap tire grants, \$100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

**Real-time water quality monitoring grant; support to St. Clair watershed.**

Sec. 1103. The appropriation in part 1 for a real-time water quality monitoring grant is a grant to Macomb County and St. Clair County to support a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2007, grant recipients shall report to the department on the plan, implementation, and status of the project. The department shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies.

Sec. 1104. The appropriation in part 1 for Muskegon County is to provide partial funding support for the development of a wetlands at the Muskegon County wastewater treatment facility along Little Black Creek.

This act is ordered to take immediate effect.

Approved August 15, 2006.

Filed with Secretary of State August 16, 2006.

**[No. 344]****(SB 1094)**

AN ACT to make appropriations for the department of natural resources for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

*The People of the State of Michigan enact:*

## PART 1

## LINE-ITEM APPROPRIATIONS

**Appropriations; department of natural resources.**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF NATURAL RESOURCES**

## APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	2,086.4	
GROSS APPROPRIATION .....		\$ 291,513,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers ....		3,765,900
ADJUSTED GROSS APPROPRIATION .....		\$ 287,747,300
Federal revenues:		
Total federal revenues .....		43,464,300
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		3,125,100
Total other state restricted revenues .....		215,888,300
State general fund/general purpose .....		\$ 25,269,600

## FUND SOURCE SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	2,086.4	
GROSS APPROPRIATION .....		\$ 291,513,200
Interdepartmental grant revenues:		
IDG, engineering services to work orders .....		1,904,700
IDG, land acquisition services to work orders .....		414,800
IDG, MacMullan conference center revenue .....		1,446,400
Total interdepartmental grants and intradepartmental transfers ....		3,765,900
ADJUSTED GROSS APPROPRIATION .....		\$ 287,747,300
Federal revenues:		
DAG, federal .....		7,237,800
DAG, timber revenue .....		3,300,000
DHS-USCG, federal .....		5,743,300

	For Fiscal Year Ending Sept. 30, 2007
DOC, federal.....	\$ 69,200
DOE, federal.....	1,000
DOI, federal.....	24,584,400
DOI, oil and gas royalty revenue .....	150,000
DOT, federal.....	2,100,000
EPA, federal.....	278,600
Total federal revenues.....	43,464,300
Special revenue funds:	
Private funds.....	2,625,100
Private - gift revenues.....	500,000
Total private revenues.....	3,125,100
Aircraft fees.....	252,700
Air photo fees - geographic information system.....	34,300
Cervidae licensing and inspection fees .....	95,700
Clean Michigan initiative fund .....	56,000
Clean Michigan initiative - clean water fund.....	2,000,000
Commercial forest fund .....	49,600
Forest development fund .....	34,277,900
Forestland user charges.....	326,500
Forest recreation fund.....	1,439,500
Game and fish protection fund .....	64,965,900
Game and fish protection fund - deer habitat reserve.....	2,565,400
Game and fish protection fund - fisheries settlement.....	964,700
Game and fish protection fund - turkey permit fees.....	1,751,600
Game and fish protection fund - waterfowl fees .....	106,100
Game and fish - wildlife resource protection fund.....	1,643,200
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	27,700
Harbor development fund.....	290,100
Land exchange facilitation fund.....	6,086,700
Marine safety fund .....	4,716,000
Michigan civilian conservation corps endowment fund .....	1,137,300
Michigan natural resources trust fund .....	3,095,000
Michigan state parks endowment fund.....	12,974,000
Michigan state waterways fund .....	16,689,600
Nongame wildlife fund.....	696,100
Off-road vehicle trail improvement fund.....	4,297,400
Park improvement fund.....	41,173,600
Publications revenue .....	900
Recreation improvement fund.....	1,463,200
Safety education fund .....	211,000
Shop fees .....	66,300
Snowmobile registration fee revenue .....	2,258,200
Snowmobile trail improvement fund.....	9,926,100
Sportsmen against hunger fund.....	250,000
Total other state restricted revenues.....	215,888,300
State general fund/general purpose .....	\$ 25,269,600



For Fiscal Year  
Ending Sept. 30,  
2007

**Executive.****Sec. 102. EXECUTIVE**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	45.6	
Commission (including travel expense—per diem) .....		\$ 91,300
Unclassified salaries—6.0 FTE positions .....		416,500
Communications—33.6 FTE positions .....		3,615,700
Executive direction—12.0 FTE positions .....		2,158,000
Project F.I.S.H. ....		25,000
GROSS APPROPRIATION .....		\$ 6,306,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG, MacMullan conference center revenue .....		23,100
Special revenue funds:		
Aircraft fees .....		500
Air photo fees - geographic information system .....		1,100
Forest development fund .....		324,700
Forestland user charges .....		6,500
Forest recreation fund .....		27,300
Game and fish protection fund .....		1,829,800
Game and fish protection fund - deer habitat reserve .....		37,200
Game and fish protection fund - fisheries settlement .....		10,200
Game and fish protection fund - turkey permit fees .....		15,900
Game and fish protection fund - waterfowl fees .....		900
Game and fish - wildlife resource protection fund .....		15,600
Game and fish protection fund - youth hunting and fishing education and outreach fund .....		27,700
Harbor development fund .....		600
Land exchange facilitation fund .....		63,600
Marine safety fund .....		29,100
Michigan civilian conservation corps endowment fund .....		2,600
Michigan natural resources trust fund .....		32,100
Michigan state parks endowment fund .....		130,100
Michigan state waterways fund .....		281,700
Nongame wildlife fund .....		11,000
Off-road vehicle trail improvement fund .....		23,400
Park improvement fund .....		2,404,500
Publications revenue .....		500
Recreation improvement fund .....		13,000
Snowmobile registration fee revenue .....		4,400
Snowmobile trail improvement fund .....		46,200
State general fund/general purpose .....		\$ 943,200

**Administrative services.****Sec. 103. ADMINISTRATIVE SERVICES**

Full-time equated classified positions .....	81.0	
Budget and support services—10.0 FTE positions .....		\$ 1,006,700
Financial services—27.0 FTE positions .....		2,670,200
Grants management—15.0 FTE positions .....		1,317,400

	For Fiscal Year Ending Sept. 30, 2007
Human resources—21.0 FTE positions .....	\$ 2,163,600
Human resources optimization user charges.....	158,700
Internal audit—8.0 FTE positions.....	849,200
GROSS APPROPRIATION.....	\$ 8,165,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MacMullan conference center revenue .....	14,800
Federal revenues:	
DOI, federal .....	355,400
Special revenue funds:	
Aircraft fees.....	3,200
Air photo fees - geographic information system.....	3,500
Clean Michigan initiative fund .....	56,000
Commercial forest fund .....	1,800
Forest development fund.....	990,200
Forestland user charges.....	1,000
Forest recreation fund.....	81,100
Game and fish protection fund .....	1,595,200
Game and fish protection fund - deer habitat reserve.....	53,800
Game and fish protection fund - fisheries settlement.....	21,400
Game and fish protection fund - turkey permit fees.....	32,600
Game and fish protection fund - waterfowl fees.....	4,500
Game and fish - wildlife resource protection fund.....	35,000
Harbor development fund.....	7,000
Land exchange facilitation fund.....	74,400
Marine safety fund .....	167,400
Michigan civilian conservation corps endowment fund .....	49,100
Michigan natural resources trust fund .....	811,000
Michigan state parks endowment fund.....	204,000
Michigan state waterways fund.....	470,400
Nongame wildlife fund.....	23,100
Off-road vehicle trail improvement fund.....	68,600
Park improvement fund.....	1,498,200
Publications revenue.....	400
Recreation improvement fund.....	20,500
Safety education fund .....	2,500
Shop fees .....	400
Snowmobile registration fee revenue .....	99,700
Snowmobile trail improvement fund.....	238,100
State general fund/general purpose .....	\$ 1,181,500

**Land and facilities.**

**Sec. 104. LAND AND FACILITIES**

Full-time equated classified positions.....	134.2
Land and facilities—134.2 FTE positions .....	\$ 20,009,500
GROSS APPROPRIATION.....	\$ 20,009,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG, engineering services to work orders.....	1,904,700

	For Fiscal Year Ending Sept. 30, 2007
IDG, land acquisition services to work orders.....	\$ 414,800
IDG, MacMullan conference center revenue .....	1,374,100
Special revenue funds:	
Aircraft fees.....	124,900
Forest development fund.....	1,766,400
Forestland user charges.....	13,100
Forest recreation fund.....	10,700
Game and fish protection fund.....	7,096,700
Land exchange facilitation fund.....	5,848,200
Marine safety fund.....	72,700
Michigan natural resources trust fund.....	5,600
Michigan state parks endowment fund.....	112,300
Michigan state waterways fund.....	295,200
Off-road vehicle trail improvement fund.....	23,100
Park improvement fund.....	535,500
Snowmobile trail improvement fund.....	65,200
State general fund/general purpose .....	\$ 346,300

### **Departmental operation support.**

#### **Sec. 105. DEPARTMENTAL OPERATION SUPPORT**

Building occupancy charges.....	\$ 2,111,100
Rent - privately owned property.....	515,000
Gifts and bequests.....	500,000
GROSS APPROPRIATION.....	\$ 3,126,100

Appropriated from:

    Special revenue funds:

Private - gift revenues.....	500,000
Forest development fund.....	882,500
Forest recreation fund.....	20,700
Game and fish protection fund.....	546,300
Game and fish protection fund - deer habitat reserve.....	21,100
Game and fish protection fund - fisheries settlement.....	6,800
Game and fish protection fund - turkey permit fees.....	20,200
Game and fish - wildlife resource protection fund.....	7,600
Land exchange facilitation fund.....	13,000
Marine safety fund.....	34,500
Michigan natural resources trust fund.....	42,500
Michigan state parks endowment fund.....	242,600
Michigan state waterways fund.....	180,100
Park improvement fund.....	412,800
Snowmobile trail improvement fund.....	22,000
State general fund/general purpose .....	\$ 173,400

### **Wildlife management.**

#### **Sec. 106. WILDLIFE MANAGEMENT**

Full-time equated classified positions.....	195.7
Wildlife management—186.7 FTE positions .....	\$ 27,192,300
Natural resources heritage—9.0 FTE positions .....	1,311,100

	For Fiscal Year Ending Sept. 30, 2007
Cormorant control .....	\$ 150,000
State game and wildlife area maintenance .....	500,000
GROSS APPROPRIATION.....	\$ 29,153,400
Appropriated from:	
Federal revenues:	
DAG, federal.....	100,400
DOI, federal.....	11,379,300
EPA, federal.....	1,000
Special revenue funds:	
Private funds.....	111,300
Cervidae licensing and inspection fees .....	95,700
Forest development fund.....	61,600
Game and fish protection fund.....	10,363,800
Game and fish protection fund - deer habitat reserve.....	2,358,000
Game and fish protection fund - turkey permit fees.....	1,620,600
Game and fish protection fund - waterfowl fees.....	100,700
Nongame wildlife fund.....	622,600
Sportsmen against hunger fund.....	250,000
State general fund/general purpose .....	\$ 2,088,400

**Fisheries management.**

**Sec. 107. FISHERIES MANAGEMENT**

Full-time equated classified positions.....	225.0
Aquatic resource mitigation—3.0 FTE positions.....	\$ 899,400
Fish production—62.0 FTE positions .....	8,318,800
Fisheries resource management—160.0 FTE positions .....	20,800,100
GROSS APPROPRIATION.....	\$ 30,018,300
Appropriated from:	
Federal revenues:	
DOC, federal.....	51,700
DOE, federal.....	1,000
DOI, federal.....	8,441,200
EPA, federal.....	160,100
Special revenue funds:	
Private funds.....	112,800
Clean Michigan initiative - clean water fund.....	2,000,000
Game and fish protection fund.....	18,353,100
Game and fish protection fund - fisheries settlement.....	898,400
State general fund/general purpose .....	\$ 0

**Parks and recreation.**

**Sec. 108. PARKS AND RECREATION**

Full-time equated classified positions.....	794.9
Bay City State Park.....	\$ 100,000
Michigan civilian conservation corps—3.0 FTE positions.....	1,057,000
Petoskey breakwall .....	400,000

**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

	For Fiscal Year Ending Sept. 30, 2007
Recreational boating—163.5 FTE positions .....	\$ 14,038,100
State parks—628.4 FTE positions .....	45,663,600
State parks improvement revenue bonds - debt service.....	1,119,600
GROSS APPROPRIATION.....	\$ 62,378,300
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
EPA, federal.....	116,500
Special revenue funds:	
Private funds .....	352,300
Harbor development fund .....	277,000
Michigan civilian conservation corps endowment fund .....	1,057,000
Michigan state parks endowment fund.....	11,695,000
Michigan state waterways fund .....	14,261,100
Off-road vehicle trail improvement fund.....	235,500
Park improvement fund.....	34,383,900
State general fund/general purpose .....	\$ 0

### **Forest, mineral, and fire management.**

#### **Sec. 109. FOREST, MINERAL, AND FIRE MANAGEMENT**

Full-time equated classified positions .....	342.5
Adopt-a-forest program.....	\$ 25,000
Cooperative resource programs—10.5 FTE positions.....	2,647,600
Forest and timber treatments—121.0 FTE positions.....	16,116,500
Forest fire equipment .....	1,700,000
Forest fire protection—133.5 FTE positions.....	10,838,100
Forest management initiatives—9.2 FTE positions .....	902,700
Forest management planning—18.0 FTE positions.....	5,600,100
Forest recreation and trails—33.0 FTE positions.....	4,978,600
Minerals management—17.3 FTE positions.....	2,145,400
GROSS APPROPRIATION.....	\$ 44,954,000
Appropriated from:	
Federal revenues:	
DAG, federal.....	2,312,400
DOI, federal .....	2,000
EPA, federal.....	1,000
Special revenue funds:	
Private funds .....	898,700
Aircraft fees.....	124,100
Air photo fees - geographic information system.....	26,300
Commercial forest fund .....	46,300
Forest development fund .....	28,806,900
Forestland user charges .....	293,100
Forest recreation fund.....	1,176,200
Game and fish protection fund .....	1,654,700
Michigan natural resources trust fund .....	1,112,600
Michigan state parks endowment fund.....	548,700
Michigan state waterways fund .....	374,000

	For Fiscal Year Ending Sept. 30, 2007
Off-road vehicle trail improvement fund.....	\$ 399,600
Recreation improvement fund.....	313,000
Shop fees .....	65,900
Snowmobile trail improvement fund.....	2,147,600
State general fund/general purpose .....	\$ 4,650,900

**Law enforcement.**

**Sec. 110. LAW ENFORCEMENT**

Full-time equated classified positions.....	267.5
General law enforcement—257.5 FTE positions.....	\$ 29,909,300
Wildlife resource protection—10.0 FTE positions.....	1,644,700
<b>GROSS APPROPRIATION.....</b>	<b>\$ 31,554,000</b>

Appropriated from:

Federal revenues:

DHS-USCG, federal.....	4,273,300
DOC, federal.....	17,500
DOI, federal.....	1,239,600

Special revenue funds:

Forest recreation fund.....	57,500
Game and fish protection fund.....	18,213,200
Game and fish - wildlife resource protection fund.....	1,529,700
Marine safety fund .....	1,521,900
Off-road vehicle trail improvement fund.....	1,189,800
Park improvement fund.....	239,900
Safety education fund .....	58,500
Snowmobile registration fee revenue .....	980,900
State general fund/general purpose .....	\$ 2,232,200

**Payments in lieu of taxes.**

**Sec. 111. PAYMENTS IN LIEU OF TAXES**

Swamp and tax reverted lands .....	\$ 7,071,500
Purchased lands .....	5,400,000
Special payments to counties.....	170,000
Commercial forest reserves.....	2,662,600
<b>GROSS APPROPRIATION.....</b>	<b>\$ 15,304,100</b>

Appropriated from:

Special revenue funds:

Game and fish protection fund.....	2,040,000
Michigan natural resources trust fund .....	520,000
Michigan state waterways fund.....	140,000
State general fund/general purpose .....	\$ 12,604,100

**Grants.**

**Sec. 112. GRANTS**

Federal - clean vessel act grants.....	\$ 100,000
Federal - forest stewardship grants .....	625,000
Federal - land and water conservation fund payments.....	3,066,900
Federal - rural community fire protection.....	300,000
Federal - urban forestry grants.....	4,000,000

	For Fiscal Year Ending Sept. 30, 2007
Grants to communities - federal oil, gas, and timber payments .....	\$ 3,450,000
National recreational trails .....	2,150,000
Accessibility grants .....	1,000,000
Game and nongame wildlife fund grants .....	10,000
Grant to counties - marine safety .....	4,275,000
Inland fisheries resources grants .....	200,000
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants .....	2,357,400
Recreation improvement fund grants.....	1,100,000
Grant to Gladwin County - Chappel dam maintenance .....	300,000
Snowmobile law enforcement grants .....	1,142,000
Snowmobile local grants program .....	7,314,000
GROSS APPROPRIATION .....	\$ 31,540,300

## Appropriated from:

## Federal revenues:

DAG, federal.....	4,825,000
DAG, timber revenue .....	3,300,000
DHS-USCG, federal .....	1,470,000
DOI, federal .....	3,166,900
DOI, oil and gas royalty revenue .....	150,000
DOT, federal .....	2,100,000

## Special revenue funds:

Private funds .....	1,150,000
Game and fish protection fund .....	500,000
Marine safety fund .....	2,805,000
Nongame wildlife fund.....	10,000
Off-road vehicle trail improvement fund .....	2,357,400
Recreation improvement fund.....	1,100,000
Safety education fund .....	150,000
Snowmobile registration fee revenue .....	1,142,000
Snowmobile trail improvement fund.....	7,314,000
State general fund/general purpose .....	\$ 0

**Information technology.****Sec. 113. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$ 9,002,900
GROSS APPROPRIATION.....	\$ 9,002,900

## Appropriated from:

## Interdepartmental grant revenues:

IDG, MacMullan conference center revenue .....	34,400
Special revenue funds:	
Air photo fees - geographic information system.....	3,400
Commercial forest fund .....	1,500
Forest development fund .....	1,445,600
Forestland user charges .....	12,800
Forest recreation fund.....	66,000



	For Fiscal Year Ending Sept. 30, 2007
Game and fish protection fund .....	\$ 2,773,100
Game and fish protection fund - deer habitat reserve.....	95,300
Game and fish protection fund - fisheries settlement.....	27,900
Game and fish protection fund - turkey permit fees.....	62,300
Game and fish - wildlife resource protection fund.....	55,300
Harbor development fund.....	5,500
Land exchange facilitation fund.....	87,500
Marine safety fund .....	85,400
Michigan civilian conservation corps endowment fund .....	28,600
Michigan natural resources trust fund .....	571,200
Michigan state parks endowment fund.....	41,300
Michigan state waterways fund.....	687,100
Nongame wildlife fund.....	29,400
Park improvement fund.....	1,698,800
Recreation improvement fund.....	16,700
Snowmobile registration fee revenue .....	31,200
Snowmobile trail improvement fund.....	93,000
State general fund/general purpose .....	\$ 1,049,600

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

**Total state spending; payments to local units of government.**

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 2006-2007 is \$241,157,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$29,482,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES

PAYMENTS IN LIEU OF TAXES

Commercial forest reserves .....	\$ 2,662,600
Purchased lands .....	5,400,000
Special payments to counties.....	170,000
Swamp and tax reverted lands .....	7,071,500

GRANTS

Grants to counties - marine safety .....	\$ 2,805,000
Grant to Gladwin County - Chappel dam maintenance .....	300,000
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants .....	2,357,400
Recreation improvement fund grants.....	110,000
Snowmobile law enforcement grants .....	1,142,000
Snowmobile local grants program .....	7,314,000
TOTAL .....	\$ 29,482,500

**Appropriations subject to MCL 18.1101 to 18.1594.**

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.

**Definitions.**

Sec. 203. As used in this act:

- (a) “Commission” means the commission of natural resources.
- (b) “DAG” means the United States department of agriculture.
- (c) “Department” means the department of natural resources.
- (d) “DHS” means the United States department of homeland security.
- (e) “DOC” means the United States department of commerce.
- (f) “DOE” means the United States department of energy.
- (g) “DOI” means the United States department of interior.
- (h) “DOT” means the United States department of transportation.
- (i) “EPA” means the United States environmental protection agency.
- (j) “FTE” means full-time equated.
- (k) “IDG” means interdepartmental grant.
- (l) “USCG” means the United States coast guard.

**Billing by department of civil service.**

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

**Hiring freeze; exceptions.**

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

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

**Reporting requirements; use of Internet.**

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

**Restricted fund balances, projected revenues, and expenditures; report.**

Sec. 207. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2006 and September 30, 2007.

**Grant and loan programs; reports.**

Sec. 208. (1) From the funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant, loan, or grant and loan programs administered by the department for the fiscal year ending on September 30, 2007:

- (a) The name of each program.
  - (b) The goals, criteria, filing fees, nominating procedures, eligibility requirements, processes, and deadlines for each program.
  - (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
  - (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
  - (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
  - (f) The source of funds for each program, including the citation of pertinent authorizing acts.
  - (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
  - (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan during the fiscal year ending September 30, 2006.
- (2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2007.

**State-restricted game and fish protection funds.**

Sec. 209. Appropriations of state-restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation acts. The amounts appropriated to these departments and agencies are listed below:

Department of civil service.....	\$	409,100
History, arts, and libraries.....		2,400
Legislative auditor general.....		21,400
Attorney general .....		740,800
Department of management and budget.....		259,100
Department of treasury.....		11,700

**Projects completed in fiscal year 2005-2006; list.**

Sec. 210. Before January 31, 2007, the department, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2005-2006, including the county and municipality in which each project is located.