

No. 82  
STATE OF MICHIGAN  
**Journal of the Senate**  
93rd Legislature  
REGULAR SESSION OF 2005

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Senate Chamber, Lansing, Wednesday, September 21, 2005.

10:00 a.m.

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

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

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

Emerson—present  
Garcia—present  
George—present  
Gilbert—present  
Goschka—present  
Hammerstrom—present  
Hardiman—present  
Jacobs —present  
Jelinek—present  
Johnson—present  
Kuipers—present  
Leland—present  
McManus—present

Olshove—present  
Patterson—present  
Prusi—present  
Sanborn—present  
Schauer—present  
Scott—present  
Sikkema—present  
Stamas—present  
Switalski—present  
Thomas—present  
Toy—present  
Van Woerkom—present

Senator Mark Schauer of the 19th District offered the following invocation:

I offer this prayer for this body and all of its members and staff, for all of our leaders, as well as for those who are led. I ask for special help for those who have been victimized by terrible natural disasters and those who are also at risk and special thoughts for those who are in the Gulf Region and are facing Hurricane Rita.

Thank you for helping us to recognize some of our differences during this difficult time and the social and economic disparity that exists within this country and this world. Help us to seek to understand these challenges and differences that often divide us, and help us to realize that these differences provide an opportunity for us to produce better solutions here in our state and in our country and in our world.

Thank you, Lord, for this opportunity to serve, and give us strength to do our best as we attempt to solve our problems here today. Amen.

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

### Motions and Communications

#### Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:06 a.m.

10:35 a.m.

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

During the recess, Senators George, Garcia and Bernero entered the Senate Chamber.

Senator Hammerstrom moved that consideration of the following bills be postponed for today:

**Senate Bill No. 246**

**Senate Bill No. 318**

The motion prevailed.

The Secretary announced that the following House bill was received in the Senate and filed on Tuesday, September 20:  
**House Bill No. 5050**

The Secretary announced the enrollment printing and presentation to the Governor on Tuesday, September 20, for her approval the following bills:

**Enrolled Senate Bill No. 503 at 1:15 p.m.**

**Enrolled Senate Bill No. 601 at 1:17 p.m.**

**Enrolled Senate Bill No. 83 at 1:19 p.m.**

### Messages from the Governor

The following message from the Governor was received on September 20, 2005, and read:

EXECUTIVE ORDER  
No. 2005-24

#### State of Disaster

#### Temporary Suspension of Requirements Relating to Prescription Drugs

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, the destruction caused by Hurricane Katrina in the Gulf Coast region has resulted in numerous fatalities, injuries, and major devastation in the States of Alabama, Louisiana, and Mississippi;

WHEREAS, on September 4, 2005, Executive Order 2005-21 proclaimed a State of Disaster in the State of Michigan to activate this state's emergency management plan and enable Michigan to continue providing mutual aid and other state assets for Hurricane Katrina relief efforts;

WHEREAS, on September 7, 2005, the President of the United States declared that an emergency existed in the State of Michigan and ordered federal aid to supplement state and local response efforts to assist evacuees from the area struck by Hurricane Katrina and to provide emergency assistance to those areas beginning on August 29, 2005, and continuing;

WHEREAS, under the Emergency Management Act, 1976 PA 390, MCL 30.401 to 30.421, upon declaring a State of Disaster, the Governor may seek and accept assistance, either financial or otherwise, from the federal government, pursuant to federal law or regulation;

WHEREAS, under the Emergency Management Act, 1976 PA 390, MCL 30.401 to 30.421, upon the declaration of a State of Disaster the Governor also may suspend a regulatory statute, order, or rule prescribing the procedures for conduct of state business, when strict compliance with the statute, rule, or order would prevent, hinder, or delay necessary action in coping with the disaster;

WHEREAS, significant relief efforts are necessary to protect the public health, to preserve public safety, and to restore the social and economic welfare of persons impacted by the storm;

WHEREAS, many individuals affected by Hurricane Katrina have sought relief and assistance in the State of Michigan;

WHEREAS, some of the individuals seeking assistance have a continuing need for prescription medication that had been duly prescribed by licensed physicians in the States of Alabama, Louisiana, and Mississippi, but records of such prescriptions are unavailable as a result of the storm and its impact;

WHEREAS, appropriate measures must be taken in response to the disaster to ensure that those individuals whose prescriptions were lost or destroyed, or whose records are not available, will be able to continue to receive prescribed medications to assure their health, safety, and welfare;

NOW, THEREFORE, I, JENNIFER M. GRANHOLM, Governor of the State of Michigan, pursuant to the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

1. Subdivision (e) of Section 17763 of the Public Health Code 1978 PA 368, MCL 333.17763(e), and associated state regulations are suspended. Pharmacies and pharmacists licensed in this state may, in the exercise of their professional judgment, refill controlled substance prescriptions issued by licensed physicians in the States of Alabama, Louisiana, and Mississippi.

2. Subsection (1) of Section 17751 of the Public Health Code, 1978 PA 368, MCL 333.17751(1) and associated state regulations are suspended. Pharmacies and pharmacists licensed in this state may, in the exercise of their professional judgment, fill or dispense up to a 30-day supply of a non-controlled substance prescription for which a patient from the States of Alabama, Louisiana, or Mississippi affected by Hurricane Katrina does not have a refill prescription.

3. Those portions of Subsection (4) of Section 7333 and Subdivision (1)(a) of Section 7405 Public Health Code, 1978 PA 368, MCL 333.7333(4) and 333.7405(1)(a) related to the prohibition against refilling prescriptions for controlled substances without a refill prescription and associated state regulations are suspended. Pharmacies and pharmacists licensed in this state may, in the exercise of their professional judgment, refill schedule 3, 4, and 5 controlled substance prescriptions for up to a 30-day supply without a refill prescription.

The Department of Community Health is responsible for coordinating the implementation of this Order.

This Order is effective until the expiration of the State of Disaster declared under Executive Order 2005-21, including any extensions of the State of Disaster.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 20th day of September in the year of our Lord, two thousand and five.

Jennifer M. Granholm  
Governor

By the Governor:  
Terri L. Land  
Secretary of State

The Executive Order was referred to the Secretary for record.

The following message from the Governor was received and read:

September 20, 2005

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office pursuant to Section 6 of the Michigan Broadband Development Authority Act, 2002 PA 49, MCL 484.3206:

**Michigan Broadband Development Authority Board of Directors**

Ms. Frida M. Waara, an Independent, of 309 Lakewood Lane, Marquette, Michigan 49855, county of Marquette, succeeding Timothy J. Laing, whose term has expired, representing members with knowledge, skill, or experience in

the academic, business, technology, or financial fields, for a term commencing September, 2005 and expiring December 31, 2008.

Sincerely,  
Jennifer M. Granholm  
Governor

The appointment was referred to the Committee on Government Operations.

### Messages from the House

Senator Hammerstrom moved that consideration of the following bills be postponed for today:

**Senate Bill No. 356**

**Senate Bill No. 419**

**Senate Bill No. 130**

The motion prevailed.

#### **Senate Bill No. 274, entitled**

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; to prescribe powers and duties of certain state departments and certain state and local agencies and officers; and to repeal acts and parts of acts.

(For Conference Report, see Senate Journal No. 80, p. 1324.)

The House of Representatives has adopted the report of the Committee of Conference.

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

#### **Senate Bill No. 301, entitled**

A bill to amend 1972 PA 222, entitled "An act to provide for an official personal identification card; to provide for its form, issuance and use; to regulate the use and disclosure of information obtained from the card; to prescribe the powers and duties of the secretary of state; to prescribe fees; to prescribe certain penalties for violations; and to provide an appropriation for certain purposes," by amending sections 1 and 2 (MCL 28.291 and 28.292), section 1 as amended by 1997 PA 99 and section 2 as amended by 2003 PA 143.

The House of Representatives has passed the bill and ordered that the bill be given immediate effect.

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

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

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

#### **Senate Bill No. 370, entitled**

A bill to amend 1993 PA 92, entitled "Seller disclosure act," by amending section 7 (MCL 565.957), as amended by 2003 PA 130.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

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

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

The Senate agreed to the full title.

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

#### **House Bill No. 4803, entitled**

A bill to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and

to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” by amending section 1284b (MCL 380.1284b), as amended by 2001 PA 167.

The House of Representative has amended the Senate amendments as follows:

1. Amend Senate Amendment No. 3, page 2, following line 15, subsection (4), after the first “**SUBSECTION (2)**” by inserting “**OR IS OPERATING AS OF THAT EFFECTIVE DATE A SCHOOL THAT IS AN INTERNATIONAL BACCALAUREATE ACADEMY THAT PROVIDES 1,160 HOURS OF PUPIL INSTRUCTION PER SCHOOL YEAR**”.

The House of Representatives has concurred in the Senate amendments as amended and agreed to the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Hammerstrom moved that the rule be suspended.

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

The question being on concurring in the House amendment to the Senate amendments,

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

**Roll Call No. 431**

**Yeas—25**

Allen	Cropsey	Jelinek	Sanborn
Barcia	Garcia	Johnson	Sikkema
Bernero	Gilbert	Kuipers	Stamas
Birkholz	Goschka	McManus	Switalski
Bishop	Hammerstrom	Olshove	Thomas
Brown	Hardiman	Prusi	Van Woerkom
Cassis			

**Nays—13**

Basham	Clarke	Jacobs	Schauer
Brater	Emerson	Leland	Scott
Cherry	George	Patterson	Toy
Clark-Coleman			

**Excused—0**

**Not Voting—0**

In The Chair: President

**Conference Reports**

Senator Hammerstrom moved that joint rule 9 be suspended to permit immediate consideration of the conference reports relative to the following bills:

**Senate Bill No. 276**

**House Bill No. 4831**

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

Senator Garcia submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 276, entitled**

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

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

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth and the Michigan strategic fund, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2006, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	58.5	
Full-time equated classified positions .....	4,351.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 1,273,315,300</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	10,822,400	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 1,262,492,900</b>
Federal revenues:		
Total federal revenues .....	842,527,600	
Special revenue funds:		
Total local revenues .....	15,738,200	
Total private revenues .....	3,990,600	
Total other state restricted revenues .....	329,882,200	
State general fund/general purpose .....		\$ 70,354,300

**Sec. 102. DEPARTMENTAL ADMINISTRATION**

Full-time equated unclassified positions .....	58.5	
Full-time equated classified positions .....	212.0	
Unclassified salaries .....		\$ 5,349,400
Executive director programs—53.0 FTE positions .....		5,961,500
Regulatory efficiency improvements/backlog reduction initiative .....		665,600
Property management.....		10,945,100
Rent .....		17,338,600
Worker’s compensation .....		1,608,000
Special project advances .....		940,000
HR optimization charges.....		147,600
Administrative services—159.0 FTE positions.....		15,535,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 58,490,800</b>

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of community health .....		300,000

	For Fiscal Year Ending Sept. 30, 2006
Federal revenues:	
CNS .....	\$ 295,700
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	4,897,500
DOL-ETA, unemployment insurance .....	16,739,900
DOL-ETA, workforce investment act .....	809,400
DOL, federal funds .....	2,503,700
DOL, multiple grants for safety and health .....	654,000
Federal revenues .....	785,700
HHS, temporary assistance for needy families .....	347,000
HHS, titles XVIII and XIX .....	36,700
Special revenue funds:	
Private - special project advances .....	940,000
Local revenues .....	134,100
Bank fees .....	485,100
Boiler fees .....	239,400
Construction code fund .....	1,444,700
Consumer finance fees .....	168,800
Contingent fund penalty and interest account .....	890,000
Corporation fees .....	5,106,100
Credit union fees .....	327,600
Elevator fees .....	264,000
Fees and collections/asbestos .....	65,900
Fire service fees .....	232,500
Insurance licensing and regulation fees .....	2,209,400
Insurance regulatory fees .....	996,000
Licensing and regulation fees .....	900,900
Liquor purchase revolving fund .....	5,767,800
Manufactured housing commission fees .....	288,200
Michigan state housing development authority fees and charges .....	3,575,400
Motor carrier fees .....	185,200
Public utility assessments .....	2,157,200
Private occupational school license fees .....	14,000
Rehabilitation services fees .....	90,300
Safety education and training fund .....	502,300
Second injury fund .....	253,500
Securities fees .....	2,381,500
Self-insurers security fund .....	83,300
Silicosis and dust disease fund .....	101,300
Tax tribunal fees .....	1,100
State general fund/general purpose .....	\$ 1,315,600
<b>Sec. 103. OFFICE OF FINANCIAL AND INSURANCE SERVICES</b>	
Full-time equated classified positions .....	273.0
Administration—9.0 FTE positions .....	\$ 2,686,700
Policy conduct and consumer assistance—119.0 FTE positions .....	14,364,400
Financial evaluation—145.0 FTE positions .....	20,940,400
<b>GROSS APPROPRIATION .....</b>	<b>\$ 37,991,500</b>
Appropriated from:	
Federal revenues:	
Federal regulatory project revenue .....	50,400
Special revenue funds:	
Bank fees .....	7,355,400
Consumer finance fees .....	4,034,700
Credit union fees .....	4,666,500
Insurance continuing education fees .....	829,600
Insurance licensing and regulation fees .....	4,488,000
Insurance regulatory fees .....	14,627,400

	For Fiscal Year Ending Sept. 30, 2006
Multiple employer welfare arrangement.....	\$ 67,500
Securities fees.....	1,872,000
State general fund/general purpose .....	\$ 0
<b>Sec. 104. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY</b>	
Full-time equated classified positions.....	13.0
Director of legal and regulatory affairs—1.0 FTE position .....	\$ 149,400
Director of finance—1.0 FTE position.....	142,300
Project director—1.0 FTE position .....	142,300
Director of accounting and purchasing—1.0 FTE position.....	123,500
Director of marketing and customer development—1.0 FTE position.....	123,500
Director of community and government affairs—1.0 FTE position.....	97,700
Executive assistant 13—1.0 FTE position .....	75,300
Executive assistant 11—1.0 FTE position .....	65,500
Accountant—1.0 FTE position.....	75,300
Department specialist 14—1.0 FTE position.....	97,700
Financial specialist 14—1.0 FTE position.....	97,700
Financial specialist 12—1.0 FTE position.....	81,300
Intern position—1.0 FTE position.....	39,500
Administration .....	277,200
GROSS APPROPRIATION .....	\$ 1,588,200
Appropriated from:	
Special revenue funds:	
Michigan broadband authority fees and charges.....	1,588,200
State general fund/general purpose .....	\$ 0
<b>Sec. 105. PUBLIC SERVICE COMMISSION</b>	
Full-time equated classified positions.....	158.0
Administration, planning and regulation—147.0 FTE positions.....	\$ 18,795,000
Energy office—9.0 FTE positions .....	5,267,100
Children's protection registry administration—2.0 FTE positions.....	250,000
GROSS APPROPRIATION .....	\$ 24,312,100
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	4,828,100
DOT-RSPA, gas pipeline safety.....	984,900
Special revenue funds:	
Private - oil overcharge .....	30,000
Children's protection registry fund .....	250,000
Motor carrier fees .....	2,060,700
Public utility assessments .....	16,158,400
State general fund/general purpose .....	\$ 0
<b>Sec. 106. LIQUOR CONTROL COMMISSION</b>	
Full-time equated classified positions.....	152.0
Management support services—28.0 FTE positions.....	\$ 3,092,300
Liquor licensing and enforcement—124.0 FTE positions.....	11,278,000
GROSS APPROPRIATION .....	\$ 14,370,300
Appropriated from:	
Special revenue funds:	
Liquor license revenue .....	5,699,300
Liquor purchase revolving fund .....	8,671,000
State general fund/general purpose .....	\$ 0
<b>Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>	
Full-time equated classified positions.....	232.0
Payments on behalf of tenants .....	\$ 130,000,000
Housing and rental assistance program—232.0 FTE positions.....	32,887,700
GROSS APPROPRIATION .....	\$ 162,887,700



For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Federal revenues:	
HUD, lower income housing assistance program .....	\$ 130,000,000
Special revenue funds:	
Michigan state housing development authority fees and charges.....	32,887,700
State general fund/general purpose .....	\$ 0
<b>Sec. 108. TAX TRIBUNAL</b>	
Full-time equated classified positions .....	11.0
Operations—11.0 FTE positions .....	\$ 1,298,100
GROSS APPROPRIATION .....	\$ 1,298,100
Appropriated from:	
Special revenue funds:	
Corporation fees .....	290,600
Securities fees.....	356,000
Tax tribunal fees .....	651,500
State general fund/general purpose .....	\$ 0
<b>Sec. 109. OCCUPATIONAL REGULATION</b>	
Full-time equated classified positions .....	419.0
Code enforcement and fire safety—177.0 FTE positions .....	\$ 18,387,000
Boiler inspection program—25.0 FTE positions .....	2,592,200
Elevator inspection program—30.0 FTE positions .....	2,751,700
Commercial services—154.0 FTE positions.....	16,282,000
Local manufactured housing communities inspections.....	250,000
Manufactured housing and land resources program—22.0 FTE positions .....	2,853,200
Property development group—11.0 FTE positions.....	1,474,200
GROSS APPROPRIATION .....	\$ 44,590,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	111,100
IDG from department of state police, homeland security .....	800,000
Federal revenues:	
FEMA .....	150,000
DOT.....	85,000
HHS, titles XVIII and XIX .....	872,300
Special revenue funds:	
Boiler fee revenue.....	2,758,600
Construction code fund .....	14,546,500
Corporation fees .....	5,430,000
Elevator fees .....	2,891,200
Fire service fees.....	2,167,300
Homeowner construction lien recovery fund.....	1,532,800
Licensing and regulation fees.....	9,084,300
Manufactured housing commission fees.....	2,452,200
Michigan boxing fund.....	206,200
Property development fees .....	265,700
Remonumentation fees.....	666,600
Real estate appraiser continuing education fund .....	45,000
Real estate education fund .....	217,500
Security business fund .....	308,000
State general fund/general purpose .....	\$ 0
<b>Sec. 110. EMPLOYMENT RELATIONS</b>	
Full-time equated classified positions .....	21.0
Employment and labor relations—21.0 FTE positions .....	\$ 3,006,400
GROSS APPROPRIATION .....	\$ 3,006,400

	For Fiscal Year Ending Sept. 30, 2006
Appropriated from:	
Federal revenues:	
EEOC, federal funds .....	\$ 10,000
Special revenue funds:	
Securities fees .....	2,944,200
State general fund/general purpose .....	\$ 52,200
<b>Sec. 111. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH</b>	
<b>ADMINISTRATION</b>	
Full-time equated classified positions .....	229.0
Occupational safety and health—229.0 FTE positions .....	\$ 25,189,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 25,189,300</b>
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	12,084,200
Special revenue funds:	
Corporation fees .....	2,087,200
Fees and collections/asbestos .....	795,600
Licensing and regulation fees .....	1,126,900
Safety education and training fund .....	7,371,000
Securities fees .....	1,724,400
State general fund/general purpose .....	\$ 0
<b>Sec. 112. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION</b>	
Full-time equated classified positions .....	1,216.0
Administration—96.6 FTE positions .....	\$ 9,220,600
Board of magistrates and appellate commission—19.4 FTE positions .....	2,786,200
Wage and hour division—31.0 FTE positions .....	2,548,500
Insurance funds administration—28.0 FTE positions .....	4,363,700
Supplemental benefit fund .....	1,300,000
Unemployment programs—971.7 FTE positions .....	81,443,100
Advocacy assistance program .....	1,500,000
Special audit and collections program—34.0 FTE positions .....	2,639,500
Training program for agency staff—2.1 FTE positions .....	1,788,600
Expanded fraud control program—33.2 FTE positions .....	2,954,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 110,545,100</b>
Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration .....	613,400
DOL-ETA, unemployment insurance .....	83,850,000
Federal Reed act funds .....	4,362,700
Special revenue funds:	
Corporation fees .....	3,842,300
Contingent fund, penalty and interest account .....	6,739,100
Licensing and regulation fees .....	753,100
Second injury fund .....	2,349,100
Securities fees .....	3,842,600
Self-insurers security fund .....	1,111,200
Silicosis and dust disease fund .....	903,400
Worker's compensation administrative revolving fund .....	2,178,200
State general fund/general purpose .....	\$ 0
<b>Sec. 113. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES</b>	
Full-time equated classified positions .....	163.0
Administrative hearings and rules—163.0 FTE positions .....	\$ 19,855,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 19,855,200</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health .....	1,547,300

	For Fiscal Year Ending Sept. 30, 2006
IDG from department of corrections .....	\$ 3,461,000
IDG from department of education .....	966,300
IDG from department of environmental quality .....	479,300
IDG from department of human services .....	3,038,300
IDG from department of management and budget.....	40,500
Federal revenues:	
DOL-ETA, unemployment insurance .....	5,761,400
DOL, multiple grants for safety and health.....	183,300
Special revenue funds:	
Construction code fund .....	270,400
Corporation fees .....	328,400
Insurance regulatory fees .....	310,400
Licensing and regulation fees.....	1,015,300
Liquor license fees.....	100,000
Liquor purchase revolving fund .....	3,500
Manufactured housing commission fees.....	126,200
Public utility assessments .....	1,155,500
Safety education and training fund .....	177,000
Securities fees.....	808,700
Tax tribunal fees .....	73,600
State general fund/general purpose .....	\$ 8,800
<b>Sec. 114. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 42,486,200
<b>GROSS APPROPRIATION</b> .....	\$ 42,486,200
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance .....	20,754,300
DOL, multiple grants for safety and health.....	518,400
Federal revenues .....	5,772,700
HHS, temporary assistance for needy families .....	176,300
Special revenue funds:	
Bank fees .....	477,300
Boiler fee revenue.....	264,300
Construction code fund .....	1,435,900
Consumer finance fees .....	94,200
Corporation fees .....	1,715,500
Credit union fees.....	269,300
Elevator fees .....	254,400
Fees and collections/asbestos .....	11,000
Insurance regulatory fees .....	497,200
Licensing and regulation fees.....	1,109,900
Liquor purchase revolving fund .....	4,340,600
Manufactured housing commission fees.....	72,400
Michigan state housing development authority fees and charges.....	1,940,300
Motor carrier fees .....	95,900
Public utility assessments .....	773,100
Safety education and training fund .....	285,600
Second injury fund.....	106,500
Securities fees.....	1,433,500
Self-insurers security fund .....	38,300
Silicosis and dust disease fund.....	49,300
State general fund/general purpose .....	\$ 0
<b>Sec. 115. WORKFORCE DEVELOPMENT</b>	
Full-time equated classified positions .....	872.5
Employment services—246.0 FTE positions.....	\$ 44,999,700
Labor market information—52.0 FTE positions.....	6,020,800

	For Fiscal Year Ending Sept. 30, 2006
Michigan rehabilitation services—513.5 FTE positions .....	\$ 68,109,100
Office of workforce development—61.0 FTE positions .....	29,895,500
GROSS APPROPRIATION .....	\$ 149,025,100
Appropriated from:	
Federal revenues:	
DAG, employment and training.....	178,700
DED-OPSE, multiple grants.....	1,145,400
DED-OSERS, centers for independent living.....	58,200
DED-OSERS, rehabilitation long-term training .....	566,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	50,176,300
DED-OSERS, state grants for technical related assistance.....	56,000
DED, Perkins act .....	281,300
DOL-ETA, workforce investment act .....	6,448,400
DOL, federal funds .....	62,671,800
DOL, ODEP.....	225,000
HHS-SSA, supplemental security income .....	4,491,800
HHS, temporary assistance for needy families .....	3,320,200
Special revenue funds:	
Private - gifts, bequests, and donations .....	816,000
Local revenue.....	4,132,400
Local vocational rehabilitation match .....	3,054,000
Contingent fund, penalty and interest account .....	1,736,300
Rehabilitation services fees.....	1,269,400
Second injury fund.....	51,500
Student fees .....	308,000
Training materials fees.....	256,400
State general fund/general purpose .....	\$ 7,781,100
<b>Sec. 116. CAREER EDUCATION PROGRAMS</b>	
Full-time equated classified positions.....55.0	
Career and technical education—25.0 FTE positions .....	\$ 3,396,700
Postsecondary education—14.0 FTE positions.....	2,554,100
Adult education—16.0 FTE positions .....	2,377,300
GROSS APPROPRIATION .....	\$ 8,328,100
Appropriated from:	
Federal revenues:	
Federal revenues .....	6,358,400
Special revenue funds:	
Private occupational school license fees .....	409,700
Defaulted loan collection fees.....	100,000
State general fund/general purpose .....	\$ 1,460,000
<b>Sec. 117. DEPARTMENT GRANTS</b>	
Adult basic education.....	\$ 20,000,000
Carl D. Perkins grants.....	47,500,000
Focus: HOPE .....	5,860,200
Gear-up program grants .....	3,000,000
Job training programs subgrantees .....	119,602,700
Michigan community service commission subgrantees .....	5,900,000
Personal assistance services .....	459,500
Precollege programs in engineering and the sciences.....	680,100
Vocational rehabilitation client services/facilities .....	54,989,500
Vocational rehabilitation independent living .....	3,079,700
Welfare-to-work programs .....	113,798,600
Fire protection grants.....	7,210,500
Low-income energy efficiency assistance.....	60,000,000
Liquor law enforcement grants .....	6,000,000
Remuneration grants.....	14,000,000
GROSS APPROPRIATION .....	\$ 462,080,800

For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Federal revenues:	
CNS .....	\$ 5,500,000
DAG, employment and training.....	13,000,000
DED-OESE, gear-up .....	3,000,000
DED-OSERS, centers for independent living .....	450,200
DED-OSERS, client assistance for individuals with disabilities .....	440,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	35,797,900
DED-OSERS, rehabilitation services facilities.....	2,272,500
DED-OSERS, supported employment .....	1,541,300
DED-OSERS, state grants for technical related assistance.....	2,240,800
DED-OVAE, adult education.....	20,000,000
DED-OVAE, basic grants to states .....	47,500,000
DOL-ETA, workforce investment act .....	119,602,700
HHS, temporary assistance for needy families .....	82,299,000
HHS-SSA, supplemental security income .....	2,480,600
Federal section 903(d), SSA funds.....	6,300,000
Special revenue funds:	
Private - gifts, bequests, and donations .....	800,000
Local vocational rehabilitation match .....	6,630,500
Local vocational rehabilitation facilities match.....	1,278,300
Contingent fund, penalty and interest account .....	1,000,000
Low-income energy efficiency fund .....	60,000,000
Fire protection fund .....	3,500,000
Liquor purchase revolving fund .....	3,710,500
Liquor license revenue .....	6,000,000
Remonumentation fees.....	14,000,000
State general fund/general purpose .....	\$ 22,736,500
<b>Sec. 118. BOARDS, AUTHORITIES AND COMMISSIONS</b>	
Full-time equated classified positions .....	135.0
MES board of review program—18.0 FTE positions.....	\$ 2,047,200
Rights-of-way oversight authority—5.0 FTE positions .....	515,900
Land bank fast track authority—3.0 FTE positions .....	661,700
Michigan community service commission—6.0 FTE positions .....	3,196,200
Commission on Spanish-speaking affairs—2.0 FTE positions .....	232,300
Commission on disability concerns—7.0 FTE positions .....	1,010,900
Commission for the blind—94.0 FTE positions .....	18,717,800
Utility consumer representation .....	550,000
Youth low vision program.....	241,800
GROSS APPROPRIATION .....	\$ 27,173,800
Appropriated from:	
Federal revenues:	
Federal revenues .....	14,296,800
CNS .....	1,631,400
DOL-ETA, unemployment insurance .....	2,047,200
Special revenue funds:	
Private - gifts, bequests, and donations .....	580,300
Private revenues .....	124,300
Local revenues .....	508,900
Land bank fast track funds.....	661,700
METRO authority fund .....	515,900
State restricted revenues .....	548,100
Utility consumer representation fund .....	550,000
State general fund/general purpose .....	\$ 5,709,200
<b>Sec. 119. MICHIGAN STRATEGIC FUND</b>	
Full-time equated classified positions .....	190.0
Administration—31.0 FTE positions.....	\$ 2,346,700

	For Fiscal Year Ending Sept. 30, 2006
Job creation services—159.0 FTE positions.....	\$ 17,234,100
Michigan promotion program.....	5,717,500
Economic development job training grants .....	9,798,000
Community development block grants .....	45,000,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 80,096,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	78,600
Federal revenues:	
DOL-ETA, employment service .....	724,000
HUD-CPD, community development block grant.....	47,297,800
Special revenue funds:	
Private - special project advances .....	700,000
Industry support fees.....	5,000
State general fund/general purpose .....	\$ 31,290,900

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$400,236,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$56,012,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

Fire protection grants.....	\$ 7,210,500
Liquor law enforcement .....	6,000,000
Local manufactured housing inspections.....	201,700
Remuneration grants.....	14,000,000
Fire fighters training council.....	1,602,600
Economic development job training grants .....	9,798,000
Welfare to work .....	17,199,600
Total department of labor and economic growth .....	\$ 56,012,400

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

Sec. 203. As used in this appropriation act:

- (a) “CEO” means chief executive officer of the Michigan economic development corporation.
- (b) “CNS” means the corporation for national services.
- (c) “DAG” means the United States department of agriculture.
- (d) “DED” means the United States department of education.
- (e) “DED-OESE” means the DED office of elementary and secondary education.
- (f) “DED-OPSE” means the DED office of postsecondary education.
- (g) “DED-OSERS” means the DED office of special education rehabilitation services.
- (h) “DED-OVAE” means the DED office of vocational and adult education.
- (i) “Department” means the department of labor and economic growth, including the Michigan strategic fund.
- (j) “Director” means the director of the department of labor and economic growth.
- (k) “DOE” means the United States department of energy.
- (l) “DOE-OEERE” means the DOE office of energy efficiency and renewable energy.
- (m) “DOL” means the United States department of labor.
- (n) “DOL-ETA” means the DOL employment and training administration.
- (o) “DOL-ODEP” means the DOL office of disability employment policy.
- (p) “DOT” means the United States department of transportation.
- (q) “DOT-RSPA” means the DOT research and special programs administration.
- (r) “EEOC” means equal employment opportunity commission.
- (s) “Fiscal agencies” means Michigan house fiscal agency and Michigan senate fiscal agency.
- (t) “FTE” means full-time equated.
- (u) “Fund” means the Michigan strategic fund.
- (v) “GED” means general education degree.

(w) "HHS" means the United States department of health and human services.

(x) "HHS-SSA" means HHS social security administration.

(y) "HUD" means the United States department of housing and urban development.

(z) "HUD-CPD" means HUD community planning and development.

(aa) "IDG" means interdepartmental grant.

(bb) "MDCH" means the Michigan department of community health.

(cc) "MDEQ" means the Michigan department of environmental quality.

(dd) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

(ee) "MES" means Michigan employment security.

(ff) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

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

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

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

Sec. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

Sec. 212. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

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

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

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

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

### **REGULATORY**

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

Sec. 302. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

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

Sec. 306. The Michigan state housing development authority shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 308. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.



Sec. 309. If the revenue collected by the department for occupational safety and health from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 310. Money appropriated under this act for fire safety programs shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

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

Sec. 313. If the revenue collected by the department from licensing and regulation fees collected by the office of commercial services exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

- (a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.
- (b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.
- (c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.
- (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.
- (e) Labor law books.
- (f) Worker’s compensation health care services rules.
- (g) Construction code manuals.
- (h) Copies of transcripts from administrative law hearings.

Sec. 317. The department, MIOSHA, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 322. From the funds appropriated in part 1 for utility consumer representation, the department shall produce and facilitate the airing of public service announcements that inform utility customers of the availability and purpose of these funds. The utility consumer participation board shall report to the subcommittees, fiscal agencies, and state budget office by September 30 on its efforts in this area, including the amount of expenditures made for this purpose.

Sec. 326. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2004.

Sec. 332. It is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by the department against regulated businesses or against individuals in regulated occupations in locations that are within 150 miles of the regulated business or of the office of the individual in a regulated occupation. In addition, it is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by an individual outside the department in locations within 150 miles of the home of the individual bringing the action if that individual wishes to testify at the hearing.

Sec. 335. The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance services.

Sec. 337. The department shall not expend funds from the appropriations in part 1 for the office of financial and insurance services for the purpose of implementing prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until the legislature has, by statute, authorized such a prohibition.

Sec. 340. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the fiscal agencies on a timely basis.

Sec. 349. The department and the Michigan state housing development authority shall work collaboratively with other state departments and agencies to maximize the use of available Michigan state housing development authority fund equity to provide senior assisted living that offers a continuum of care from independent apartments to assisted living to nursing care and Alzheimer programs.

Sec. 350. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

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

Sec. 351. (1) The department shall issue a report to the subcommittees by the end of each calendar year, but not later than December 31 of each year, showing the date each real estate continuing education course was submitted for approval and the date of final disposition, approval, or denial.

(2) The department shall post on its website the approved real estate continuing education courses, as well as the dates, times, instructors, locations, course title, and credit hours of the courses.

(3) The department shall have available to the public on-line the prelicensure and continuing education course approvals.

(4) It is the intent of the legislature that sponsors of continuing education be able to report an applicant's or licensee's completion of courses to the department via electronic methods.

Sec. 352. From the funds appropriated in part 1 for unclassified salaries, the department shall provide funding for 5 worker's compensation appellate commissioners and 26 worker's compensation board of magistrates. Expenditures shall be made so that the 2 bodies shall decide worker's compensation cases in a timely manner.

Sec. 355. Of the funds appropriated in part 1, no funds shall be used to support the development of, or activities that promote the development of, guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

Sec. 356. It is the intent of the legislature that the Michigan commission for the blind work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds.

Sec. 358. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through on-line courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish on-line courses that would be made available to students throughout the year.

Sec. 360. The department shall create a tracking system for real estate license continuing education credits that would allow the licensee to ascertain the number of approved course credits that the licensee has completed.

Sec. 361. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 362. Of the funds appropriated in part 1 for the department, \$200,000.00 may be used for administration and enforcement of boxing regulation in Michigan.

Sec. 364. The department shall provide a report to the chairs of the appropriation subcommittees on labor and economic growth by January 1 on the total administrative costs allocated for the broadband development authority. These costs should include all staffing and other related costs associated with contracts. The report shall also include any payments to date for reimbursement to the Michigan state housing development authority. If no payments have been made, then the report shall include a detailed plan outlining the reimbursement schedule.

Sec. 365. From the funds appropriated in part 1 for occupational safety, not less than \$40,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan in a grant for an industrial-related comprehensive training and technical assistance program. Such funds shall be subject to the conditions established by the Michigan occupational safety and health administration.

Sec. 366. It is the intent of the legislature to fund the workers' compensation administration with general fund money.

Sec. 367. The department shall develop a searchable website where consumers can research the performance of licensed residential builders, including the number of valid complaints filed against the builder that required disciplinary action taken by the department. The website shall allow searches by licensee name, company name, and license number.

Sec. 368. Funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 369. It is the intent of the legislature to fund the fire marshal and fire fighters training council programs contained in section 109, code enforcement and fire safety line item with state general fund/general purpose money.

Sec. 370. Of the funds appropriated in the code enforcement and fire safety line item, no less than \$1,602,600.00 shall be allocated to support the fire fighters training council for fiscal year 2005-2006.

Sec. 371. Of the \$800,000.00 included in the interdepartmental grant from the department of state police, homeland security funds, 40% shall be allocated to the fire fighters training council.

#### **WORKFORCE AND CAREER DEVELOPMENT**

Sec. 401. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 402. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

Sec. 403. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 404. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

(2) As a condition of receipt of funds appropriated in part 1, the statewide independent living council and the Michigan association of centers for independent living shall jointly produce a report providing the following information:

(a) Results in terms of enhanced statewide access to independent living services to individuals who do not have access to such services through other existing public agencies, including measures by which these results can be monitored over time. These measures shall include:

(i) Total number of persons assisted by the centers and a comparison to the number assisted in the previous year.

(ii) Number of persons moved out of nursing homes into independent living situations and a comparison to the number assisted in the previous year.

(iii) Number of persons for whom accommodations were provided to enable independent living or access to employment and a comparison to the number assisted in the previous year.

(iv) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated in part 1 administered by a center for independent living and a comparison to the number served in the previous year.

(b) Information from each center for independent living receiving funding through appropriations in part 1 detailing their total budget for their most recently completed fiscal year as well as the amount within that budget funded through the vocational rehabilitation independent living grant program referenced in part 1, the total amount funded through other state agencies, the amount funded through federal sources, and the amount funded through local and private sources.

(c) Savings to state taxpayers in other specific areas that can be shown to be the direct result of activities funded from the vocational rehabilitation independent living grant program during the most recently completed state fiscal year.

(3) The report required in subsection (2) shall be submitted to the subcommittees, the fiscal agencies, and the state budget director on or before January 30.

Sec. 405. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to department of human services applicants and recipients and may be expended for grants that provide employment and training services to former family independence program recipients, as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

(2) An applicant shall be limited to a Michigan works! agency, a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization that provides school-to-work transition programs or that provides employment and training services or vocational rehabilitation programs or state licensed accredited vocational or technical education programs, proprietary school licensed by the state board of education, local workforce development board, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, licensed proprietary schools, or public or private nonprofit colleges or universities described in this subsection.

(3) When the work first job search requirements have been completed, if the participant has not found employment, the work first site shall identify the barriers which may have prevented the participant from obtaining employment and assist the client in removing those barriers. The work first site shall also identify appropriate education and job training programs which would be available to the participant. The department shall encourage the Michigan works! agencies to consider transportation challenges for work first participants placed in employment. When an individual is re-referred to work first because of an inability to retain employment, the Michigan works! agencies shall confer with the Michigan rehabilitation services, the department of human services, or other professionals if considered appropriate by the Michigan works! agency to screen for and identify issues that are preventing the participant from succeeding in the labor market. Each Michigan works! agency shall determine locally the number of times an individual may be re-referred back to the program before consulting with other service agencies. If no prohibitive barriers to work are found, the individual shall comply with the work first program, or be subject to appropriate penalties.

(4) Work first program participants shall include applicants and recipients of the department of human services program established under section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such individuals referred to a job club program by a county department of human services board or a county friend of the court as long as the participation in the job club is part of an application submitted under this section.

(5) Participants in the work first program shall not be enrolled and counted in membership in a school district or intermediate school district.

(6) The department will work with the department of human services to coordinate support services to work first participants relating to special/emergency needs.

(7) Work first program participants must receive or be provided an explanation of the program including their benefits and responsibilities before the job interview phase of the program. This explanation shall include clear guidelines with regard to an individual's eligibility for postemployment training support and for applying hours in training toward work requirements.

(8) The department shall make every effort to place a minimum of 50% of clients who participate in the work first program in positions that provide wages of \$8.00 per hour or more.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15 a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 90 days, the number of participants placed in employment training and education programs, the number of clients referred to work first who failed to report, a compilation of barriers to employment by incidence and type experienced by participants, and the number of participants referred back to the department of human services.

(10) The department shall provide to the state budget director and the fiscal agencies by May 15 and November 15 of each year a report on the work first grants. The report due by May 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 15 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain both of the following:

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

(b) The number of participants in each service delivery area and the number of clients placed in employment in each service delivery area.

(11) The department shall make available to work first participants guidelines on eligibility for postemployment training and how training/education hours are applied toward work participation requirements. These guidelines will be presented during joint orientation conducted by the department of human services and the department contracted staff in accordance with department policy issuances and department of human services program bulletins. These guidelines presented by the department and the department of human services shall balance the ability of participants to obtain training and subsequent long-term high-wage employment with the need to connect participants with the

workplace. Any and all training/education, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education. Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. Work first participants may enroll in additional hours of classroom seat time beyond 10 hours. However, these hours and the related study time will not count toward the work participation requirement. The training may be no longer than a 1-year program or the final year of a 2- or 4-year undergraduate program designed to lead to immediate labor force attachment.

(13) Work first participants may meet the work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 6 months.

(14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours of work per week, to meet their work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 6 months.

(15) The department shall convene a work group to review and recommend available options for providing increased flexibility regarding the education requirements as outlined in this act.

Sec. 406. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

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

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

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

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

Sec. 407. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, and parents of public school pupils.

Sec. 409. (1) Of the funds appropriated in part 1 for precollege programs in engineering and the sciences, \$340,050.00 shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated and \$340,050.00 shall be provided in the form of a grant to the Grand Rapids area precollege engineering program.

(2) The department shall submit a report to the subcommittees and the fiscal agencies by February 1 regarding dropout rates, grade point averages, enrollment in science, engineering, and math-based curricula, and employment in science, engineering, and math-based fields for students within the programs. The report shall continue to evaluate the effectiveness of the precollege programs in engineering and sciences funded through part 1 appropriations and shall make recommendations on whether state support to expand such programs to other areas of the state is warranted in future fiscal years.

Sec. 410. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative present, at each Michigan works! service center on a full- or part-time basis during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties in the same manner they were performed prior to February 1, 1999.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who enters the office for service whether that individual is a veteran and to refer each veteran to the disabled veterans outreach program specialist or local veterans employment representative on duty at the time.

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

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

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

Sec. 414. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

Sec. 415. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

Sec. 417. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 418. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees, the fiscal agencies, and the state budget office by February 1 of each year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

(a) The number of participants receiving support under the program.

(b) The number of participants obtaining full-time employment.

(c) The number of participants obtaining full-time employment in college faculty positions.

(d) The number of participants obtaining full-time employment in college faculty positions within the university through which they received future faculty program support for graduate studies.

Sec. 421. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide electronic notification of the location of the report on the Internet to the subcommittees on December 30, 2004, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source and any expenditures or encumbrances relating to this marketing effort. It is the intent of the legislature that the department administer the King-Chavez-Parks initiative in the same manner as when it was previously contained in the department of education and consistent with all boilerplate language pertaining to the above listed programs as included in the appropriations act for higher education institutions.

Sec. 425. The department shall work cooperatively with the department of civil service to identify state employees who will lose their jobs as a result of an agency or program being reorganized, modified, or eliminated and shall develop training programs and provide training to these individuals that will provide them an opportunity and skills necessary to secure new employment within state government or the private sector. It shall be a priority of the department to provide training and employment opportunities to these individuals through their employment service locations.

Sec. 426. From the funds appropriated in part 1 to job training programs subgrantees, the department shall allocate sufficient funds to the Michigan works! service centers to allow these centers to remain fully operational.

Sec. 427. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MICHild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Sec. 429. (1) As a condition for receipt of the funds appropriated in part 1, Focus: HOPE shall submit a report on the use of the grant's funds appropriated in part 1 to the chairs of the subcommittees, the fiscal agencies, and the state budget office that includes, but is not limited to, the following:

(a) Detailed expenditures for administration including salaries and wages of employees.

- (b) Amount allocated for education and training programs including number of students served by each program.
  - (c) Amount allocated for job search assistance and career planning including the number of students served by each program.
  - (d) Detailed expenditures for any contracts entered into with the use of these funds.
  - (e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.
- (2) The report shall be submitted on or before January 31.

### **MICHIGAN STRATEGIC FUND**

Sec. 501. (1) The appropriation in part 1 to the fund for economic development job training shall be expended in 2 categories: the business response program for employee training grants that maintain or attract permanent jobs for Michigan residents and the manufacturing competitiveness program for grants to fund collaborative efforts that increase the competitiveness of multiple companies within a grant. The business response program is allocated up to \$6,532,000.00, and the manufacturing competitiveness program is allocated up to \$3,266,000.00 not to exceed the part 1 appropriation for this program in its entirety. The fund has the authority to reallocate these amounts during the fiscal year dependent on business demand and economic conditions.

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

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

(4) Of the total funds appropriated in part 1 for economic development job training grants, at least 75% of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5).

(5) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection.

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

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

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

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

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

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

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

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

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

(b) Creation and/or retention of high wage and high skilled level jobs.

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

(d) In addition, for the manufacturing competitiveness program, the following criteria will receive priority: strong level of collaboration and cooperation and demonstration of new techniques, systems, and processes of value to the affected companies.

(9) Participants in economic development job training programs shall be 16 years or older and not enrolled and counted in membership in a school district, intermediate school district, or community college.

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

(11) For training delivered to incumbent workers under the business response program, the business receiving the benefit of the training shall provide a minimum of 20% of the program costs in matching funds as necessitated by the program. For training delivered under the manufacturing competitiveness program, the business receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

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

(13) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit.

(14) The fund shall provide to the state budget director and the fiscal agencies by May 1 and November 1 of each year a report on the economic development job training grants. The report due by May 1 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 1 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

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

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

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

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

(15) Of the funds appropriated in part 1 for economic development job training grants, the fund shall not use these funds to finance the startup or in any way subsidize any private distributor of liquor products in Michigan.

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

Sec. 502. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

(a) An applicant must match state funds on a 1:1 basis.

(b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

(c) The Michigan economic development corporation shall administer the Michigan growth capital fund.

(d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this section.

(e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 503. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 504. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times." copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 506. The fund shall submit on or before May 1 and November 1 to the subcommittees, state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

(a) The name of the recipient.

(b) The amount awarded to the recipient.

(c) The purpose of the grant.

Sec. 507. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan.

(b) Michigan business development.

(c) Global business development.

(d) Small, minority, and disabled business services.



- (e) Community development block grants.
- (f) Strategic fund administration.
- (g) Renaissance zones.
- (h) Emerging business sectors and roundtables.
- (i) Business and clean air ombudsman.
- (j) Economic development job training grants.
- (k) Community assistance team.
- (l) Technology tri-corridor.
- (m) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 1. The report for each program in subsection (1)(a) through (m) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

Sec. 508. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 509. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

(a) The land is located in an economically distressed area.

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

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

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

Sec. 511. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Sec. 512. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

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

Sec. 513. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

(a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(c) Annual audits of all financial records by the auditor general or his or her designee.

(d) All reports required by law to be submitted to the legislature.

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

Sec. 514. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 515. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this act.

(2) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 518. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

(3) Awards can be used for land and property acquisition and assembly, demolition, site development, utility modifications and improvements, street and road improvements, telecommunication infrastructure, site location and relocation, infrastructure improvements, and any other costs related to the successful development and implementation of core community or certified technology park projects, at the discretion of the Michigan economic development corporation.

(4) Funding may be provided in the form of loans, grants, sales or cash flow participation agreements, guarantees, or any combination of these. A cash match of at least 10%, or local repayment guarantee with a dedicated funding source, is required. Priority shall be given to projects which are integrated with existing economic development programs, and to projects in proportion to the amount that local matching rates exceed 10%.

(5) The Michigan economic development corporation shall have all administrative responsibility for the Michigan core communities fund and shall establish application and application scoring criteria and approve awards. The Michigan economic development corporation may utilize up to 1/2 of 1% of the fund for administrative purposes.

(6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.

(7) No single applicant shall be awarded more than \$10,000,000.00 per project.

(8) Fifteen days prior to the award of the funds, notification shall be provided to the speaker of the house of representatives, the senate majority leader, the members of the house and senate appropriations committees, the fiscal agencies, and the state budget director.

(9) Funds shall not be awarded for any of the following purposes:

(a) Land sited for use as, or support for, a gaming facility.

(b) Land or other facilities owned or operated by a gaming facility.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

Sec. 519. It is the intent of the legislature that the members of the executive committee of the corporation board of the MEDC be subject to the advice and consent of the senate.

Sec. 526. It is the intent of the legislature that if a bill providing for securitization of the tobacco settlement proceeds is enacted, the budget bills will be adjusted accordingly.

Sec. 527. The Michigan economic development corporation shall conduct a study of the best practices of the economic development programs in the other 49 states and provide a report of its findings to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2006.

Sec. 528. The Michigan economic development corporation shall work with the office of the auditor general to implement procedures to annually audit the number of jobs claimed to be created by firms receiving Michigan economic growth authority grants, and all other claims of job creation for which MEDC has provided tax credits or other economic incentives.

Sec. 529. The Michigan economic development corporation shall report on the number of individuals it employs with an annual salary of \$80,000.00 or more to the subcommittees, the fiscal agencies, and the state budget office by October 31, 2006. The report shall include the name, the job title, and a description of the duties and responsibilities of all such employees.

Sec. 530. The Michigan economic development corporation shall report to the appropriations subcommittees, fiscal agencies, and the state budget office by November 30, 2005 on its plans to implement reductions in the job creation services and administration lines and the impact of these reductions on its operations and staffing level.

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

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Valde Garcia  
Bill Hardiman  
Michael Prusi  
Conferees for the Senate

Jack Brandenburg  
Fran Amos  
Chris Kolb  
Conferees for the House

The question being on the adoption of the conference report,

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

**Roll Call No. 432****Yeas—37**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	Garcia	Kuipers	Sikkema
Birkholz	George	Leland	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Goschka	Olshove	Thomas
Brown	Hammerstrom	Patterson	Toy
Cassis	Hardiman	Prusi	Van Woerkom
Cherry			

**Nays—0****Excused—0****Not Voting—1**

Emerson

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

**House Bill No. 4831, entitled**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies for the fiscal year ending September 30, 2006; to supplement and adjust certain appropriations for the fiscal year ending September 30, 2005; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

**FIRST CONFERENCE REPORT**

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

**House Bill No. 4831, entitled**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2006; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

Recommends:

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

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

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies for the fiscal year ending September 30, 2006; to supplement and adjust certain appropriations for the fiscal year ending September 30, 2005; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**  
**ARTICLE 2**  
**COMMUNITY COLLEGES**  
**PART 1**  
**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**COMMUNITY COLLEGES**

**APPROPRIATION SUMMARY:**

GROSS APPROPRIATION .....	\$ 281,327,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 281,327,400
Total federal revenues .....	0
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 281,327,400

**Sec. 102. OPERATIONS (PREPARED FOR JOBS)**

Alpena Community College .....	\$ 4,777,100
Bay de Noc Community College .....	4,618,500
Delta College .....	12,917,100
Glen Oaks Community College .....	2,167,100
Gogebic Community College .....	3,951,500
Grand Rapids Community College .....	16,247,500
Henry Ford Community College .....	19,800,700
Jackson Community College .....	10,960,800
Kalamazoo Valley Community College .....	11,183,600
Kellogg Community College .....	8,786,700
Kirtland Community College .....	2,666,800
Lake Michigan College .....	4,728,900
Lansing Community College .....	28,097,100
Macomb Community College .....	29,978,600
Mid Michigan Community College .....	3,999,100
Monroe County Community College .....	3,890,800
Montcalm Community College .....	2,814,300
C.S. Mott Community College .....	14,205,400
Muskegon Community College .....	8,083,900
North Central Michigan College .....	2,738,100
Northwestern Michigan College .....	8,248,900
Oakland Community College .....	18,910,900
St. Clair County Community College .....	6,334,300
Schoolcraft College .....	11,098,900
Southwestern Michigan College .....	5,958,000
Washtenaw Community College .....	11,280,600
Wayne County Community College .....	14,582,200
West Shore Community College .....	2,077,300
GROSS APPROPRIATION .....	\$ 275,104,700

Appropriated from:

State general fund/general purpose .....	\$ 275,104,700
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**Sec. 103. GRANTS (PREPARED FOR JOBS)**

At-risk student success program .....	\$ 3,322,700
Renaissance zone tax reimbursement funding .....	2,900,000
GROSS APPROPRIATION .....	\$ 6,222,700

Appropriated from:

State general fund/general purpose .....	\$ 6,222,700
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PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$281,327,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$281,327,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$	275,104,700
At-risk student success program .....		3,322,700
Renaissance zone tax reimbursement program .....		2,900,000
TOTAL.....	\$	<u>281,327,400</u>

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 208. The department of labor and economic growth shall work collaboratively with community colleges to develop an accelerated entrepreneurship curriculum, including an associate degree, to provide students with the skills and knowledge needed for creating their own businesses. The department shall annually submit a report on the results of its work with the community colleges under this section to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director.

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

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

Sec. 211. (1) The money appropriated in this article is appropriated for community colleges with fiscal years ending June 30, 2006, and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2005. Each community college shall accrue its July and August 2006 payments to its institutional fiscal year ending June 30, 2006. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2004-2005 to the department of labor and economic growth by November 1, 2005, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2005. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this article.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this article. The money appropriated by this article may be used to match the cost of any available programs under the Carl D. Perkins vocational and applied technology education act, 20 USC 2301 to 2415, including local administration.

Sec. 216. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of receiving money appropriated under this article.

(2) A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. Any construction, renovation, or other capital outlay project that exceeds \$1,000,000.00 requires the approval of a use and finance statement by the joint capital outlay subcommittee (JCOS) pursuant to JCOS policy.

Sec. 220. It is the intent of the legislature that the legislature restore the infrastructure, technology, equipment, and maintenance (ITEM) funding provided in previous fiscal years. In addition, it is the intent of the legislature that the legislature, in cooperation with the Michigan community college association, develop proposals and financing alternatives for special maintenance projects at community colleges that otherwise would not qualify for financing under the state building authority.

Sec. 224. Recognizing the critical importance of education in strengthening Michigan's workforce, the legislature encourages the state's public community colleges to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

Sec. 230. (1) A community college shall not expend money appropriated under this article to provide health care coverage for community college employees or their dependents for abortion services, other than for spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed. A community college shall not approve a collective bargaining agreement or enter into any other employment contract that includes health care coverage for abortion services other than spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed.

(2) If a community college expends money appropriated under this article in violation of subsection (1), the community college shall repay to this state an amount equal to the amount of money spent in violation of subsection (1).

Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271, the legislature intends that a community college receiving funding under this article shall not use part 1 money to extend employee benefits to the unmarried partners of the community college's employees except for pre-and post-natal costs.

Sec. 234. Community colleges shall do the following:

(a) Undertake active measures to promote equal opportunities, eliminate discrimination, and foster a diverse student body and administration among all people including, but not limited to, women, minorities, seniors, veterans, and people with disabilities.

(b) Review, analyze, and eradicate activities that may tend to discriminate.

Sec. 235. It is the intent of the legislature that a workgroup be formed to evaluate, discuss, and make recommendations for future action regarding state university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan community college association may create and administer the workgroup and is encouraged to include members representing university and K-12 school organizations. The workgroup shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2006.

Sec. 236. (1) It is the intent of the legislature that any existing or new reciprocal tuition agreements entered into under 1972 PA 251, MCL 390.501 to 390.506, be submitted for review and approval by the house and senate appropriations committees at least once every 3 years.

(2) It is the intent of the legislature that, under any reciprocal tuition agreement approved by the house and senate appropriations committees, out-of-state students pay the in-state, out-of-district tuition and fee rate at any Michigan community college participating in the agreement.

Sec. 237. It is the intent of the legislature that a workgroup that includes members of the legislature and the Michigan community colleges association be formed to evaluate, discuss, and make recommendations regarding the possibility of state payments in lieu of taxes to community colleges whose districts contain land owned by state, federal, or local governments or land that is otherwise nontaxable. The workgroup shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2006.

Sec. 238. It is the intent of the legislature that a workgroup that includes members of the legislature and the Michigan community colleges association be formed to evaluate, discuss, and make recommendations regarding the impact of expanding eligibility for the optional retirement plan established in section 3 of the optional retirement act of 1967, 1967 PA 156, MCL 38.383, to include faculty employed by community colleges on a part-time basis. The workgroup shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2006.

Sec. 239. The legislature intends that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 2006, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2006, will be accompanied by a similar action or proposal for state-supported community colleges.

Sec. 240. The legislature intends that not less than 70% of the economic development job training grant money be awarded to community colleges or a consortium of community colleges and other eligible applicants as provided in the budget that appropriated the economic development job training grant money. Further, the legislature intends that at least a portion of the total appropriation for economic development job training grants be awarded to community colleges that offer certified programs that are bureau of apprenticeship training certified. The Michigan economic development corporation shall report by November 1 of each year to the house and senate appropriations subcommittees on community colleges and the senate and house fiscal agencies the names of the community colleges

awarded grant money under this section, the amount of the grants awarded, and the percentage awarded to bureau of apprenticeship training certified programs.

Sec. 241. It is the intent of the legislature that community colleges expand their current nursing education programs and increase nursing education program enrollments. This expansion may include, but is not limited to, creating partnerships with hospitals and other health care providers, expanding the focus and utilization of the nursing scholarship program, and redirecting existing institutional resources toward nursing education programs.

Sec. 242. (1) A task force shall be formed by October 15, 2005 to review, evaluate, discuss, and make recommendations regarding performance indicators to be utilized in future budget years to guide decisions regarding state funding to community colleges. The task force shall consist of the following members:

(a) Two members of the Michigan house of representatives. One member shall be designated by the speaker of the house, and 1 member shall be designated by the house minority leader.

(b) Two members of the Michigan senate. One member shall be designated by the senate majority leader, and 1 member shall be designated by the senate minority leader.

(c) Four representatives of Michigan public community colleges. The Michigan community colleges association shall designate 1 representative from each of the 4 groups described in the activities classification structure data book published by the department of labor and economic growth under section 501.

(2) The task force described in subsection (1) shall consider at least all of the following performance indicators for community colleges in performing its duties under subsection (1):

(a) Total number of degrees and certificates awarded and subtotals of degrees and certificates awarded in high-cost areas.

(b) Total number of student contact hours provided and subtotals of student contact hours provided in high-cost areas.

(c) Expenditures for administration as a percentage of total operating fund expenditures.

(d) Licensure, certification, and registry exam pass rates and the number of individuals obtaining licensure or certification or passing a registry exam.

(e) Degree and certificate completion rates.

(f) Student transfer rates.

(g) Performance at transfer institutions.

(h) Student goal attainment.

(i) Placement and wage rates.

(j) Number of dual enrollment participants.

(k) Number of individuals participating in employer-sponsored training.

(3) The task force described in subsection (1) shall submit a report containing its findings and recommendations on the following topics to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by February 1, 2006:

(a) The most appropriate and reliable performance indicators to be utilized to guide decisions on state funding to community colleges.

(b) The most efficient methodology for connecting state funding to those indicators.

(4) The department of labor and economic growth shall work with the task force to establish mechanisms to collect and verify data for any indicators that the task force recommends but for which reliable data are not currently available.

(5) It is the intent of the legislature that state funding to community colleges will be based partially or wholly on performance indicators in future budget years.

Sec. 243. It is the intent of the legislature that if the estimate of fiscal year 2005-2006 general fund/general purpose revenues as determined at the January 2006 consensus revenue estimating conference is greater than the estimate as determined at the August 2005 consensus revenue estimating conference, the legislature will review the possibility of providing an increase of up to \$3,200,000.00 for fiscal year 2005-2006 community college operations funding.

#### **STATE AID - OPERATIONS**

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this article are as defined in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, which shall be the basis for reporting data, and the 2003 Activities Classification Structure Manual for Michigan Community Colleges, which shall be used to document financial needs of the community colleges.

Sec. 302. A community college shall not include in the enrollment data reported for determining state aid under this article any student credit hours or student contact hours for a student incarcerated in a Michigan penal institution. Exclusion of these students is intended to avoid the payment of state aid under this article for the same individuals for whom reimbursement is provided by the state correctional system.

Sec. 303. A community college selected for audit under section 502 whose audited activities classification structure data is significantly different than the data used to determine state aid under this article shall return any overappropriated money as provided in this subsection. The department of labor and economic growth shall compare formula computations for the audited colleges using pre- and post-audit data. If the state allocation is 2% or more than

the post-audit allocation amount, the college shall return the excess money. The returned money shall be redistributed to all 28 community colleges, prorated on the base appropriations contained in part 1.

Sec. 304. It is the intent of the legislature to achieve full funding of the Gast-Mathieu fairness in funding formula.

Sec. 305. The funds appropriated in part 1 for community college operations are in addition to any funds appropriated for community college operations for state fiscal year 2004-2005 under section 701(3) of 2005 PA 11, which shall be recognized by the community colleges as revenue in their institutional 2005-2006 fiscal years.

#### **GRANTS**

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of labor and economic growth pursuant to the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Of the amount appropriated in part 1 for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges or the acquisition or upgrade of technology-related equipment and software.

(2) Of the amount appropriated in part 1 for the at-risk student success program, the balance of the appropriated money shall be distributed on a proration utilizing the sum of the most recent 3 years developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all the percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2006, the at-risk student success program money is allocated as follows:

Alpena Community College .....	\$ 76,300
Bay de Noc Community College.....	91,300
Delta College .....	97,100
Glen Oaks Community College.....	123,600
Gogebic Community College .....	66,200
Grand Rapids Community College.....	117,200
Henry Ford Community College .....	146,300
Jackson Community College .....	102,000
Kalamazoo Valley Community College .....	89,700
Kellogg Community College.....	155,100
Kirtland Community College .....	125,800
Lake Michigan College .....	154,900
Lansing Community College.....	139,800
Macomb Community College.....	83,600
Mid Michigan Community College.....	134,400
Monroe County Community College.....	94,000
Montcalm Community College .....	66,700
C.S. Mott Community College.....	102,600
Muskegon Community College .....	149,700
North Central Michigan College .....	115,900
Northwestern Michigan College.....	123,100
Oakland Community College .....	144,600
St. Clair Community College .....	93,400
Schoolcraft College.....	129,000
Southwestern Michigan College.....	134,800
Washtenaw Community College.....	161,700
Wayne County Community College .....	174,900
West Shore Community College .....	129,000

(4) As used in this article, "at-risk students" means students who meet 1 or more of the following criteria:

(a) Are initially placed in 1 or more developmental courses as a result of standardized testing or as a result of failure to make satisfactory academic progress.

(b) Are diagnosed as learning disabled.

(c) Require English as a second language (ESL) assistance.

(5) Grant funding under this section shall be utilized to address the special needs of at-risk students or for equipment or upgrade of information technology hardware or software. Activities related to services provided to at-risk students include, but are not limited to, pretesting for academic ability, counseling contacts, and special programs. Equipment or information technology hardware or software purchased under this section need not be associated with the operation of a program designed to address the needs of at-risk students.



(6) Grant funding under this section shall not be used for indirect costs including, but not limited to, rent, utilities, or, except as provided in this section, college administration.

(7) Each community college shall report to the department of labor and economic growth a summary of all accomplishments under, expenditures for, and compliance with the intent of this program, including the number of at-risk students served. The report is subject to audit as provided for in section 502(1). The report shall be submitted not later than 90 days after the end of the state's fiscal year.

Sec. 404. The appropriation in part 1 for renaissance zone reimbursements shall be made to each eligible recipient no later than 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

#### **REPORTS AND AUDITS**

Sec. 501. The department of labor and economic growth shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2006, for use by the legislature during budget development for the fiscal year ending September 30, 2007.

Sec. 502. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 2005, as submitted to the department of labor and economic growth by 7 randomly selected community colleges, selected by the auditor general. A community college shall maintain and provide those records necessary for the auditor general or certified public accountant appointed by the auditor general to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges and the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Before the submission of a final audit report, a community college may appeal the findings of the preliminary report under an appeal process to be established by the auditor general. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of labor and economic growth, and the state budget director before June 1, 2006.

(2) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(3) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the department of labor and economic growth, the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

Sec. 503. The department of labor and economic growth shall review the taxonomy of the 7 community colleges selected for the audit under section 502 that is based on the 2003 Activities Classification Structure Manual for Michigan Community Colleges.

Sec. 504. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) Contracts between the community college and agencies that reimburse the community college for the costs of instruction shall be retained for audit purposes.

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic growth, and the state budget director before November 15, 2005. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2005:

(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the department of labor and economic growth and the Michigan commission on Indian affairs.

(b) The number of Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.

(2) Colleges shall use the criteria cited in 1976 PA 174, MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers, and shall grant those waivers to individuals who meet the criteria and request tuition waivers.

(3) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2006.

Sec. 507. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the prior academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2005, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2005-2006 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2005-2006 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth within 15 days of being adopted.

(2) The department of labor and economic growth shall prepare and provide to community colleges a standard format for reporting tuition and fees pursuant to subsection (1).

Sec. 509. (1) Each community college shall report to the department of labor and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2005.

(2) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2006.

Sec. 510. A community college receiving funding under this article and also subject to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all material prepared in accordance with the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2384, available in hard copy and electronic format accessible through the Internet for school districts, parents, and students.

Sec. 511. (1) It is the intent of the legislature that the frequency and scope of on-site visits, evaluations, audits, and similar activities be limited to that which is reasonably necessary to monitor the performance of community colleges and confirm the accuracy of reported data. On-site visits, evaluations, audits, and similar activities conducted to comply with the state plan approved by the United States department of education under the Perkins act shall be limited to those necessary to meet the requirements of the state plan.

(2) In developing and implementing audit and reporting requirements, including those included in current and proposed state plans under the Perkins act, the department of labor and economic growth shall consult with community colleges, the legislative auditor general, and independent auditors in an effort to coordinate activities and minimize duplication of audit and reporting requirements imposed on community colleges.

(3) At least 30 days before submission of a new state plan to the United States department of education for approval under the Perkins act, the department of labor and economic growth shall provide copies of the proposed plan to the members of the senate and house appropriations subcommittees on community colleges for their review and comment. Copies of the proposed plan shall be provided to the senate and house fiscal agencies and the state budget director at the same time that they are provided to the senate and house subcommittees.

(4) The Perkins grant application process and content shall be streamlined to the extent possible.

(5) As used in this section, "Perkins act" means the Carl D. Perkins vocational and applied technology education act, 20 USC 2301 to 2415.

Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges, the department of career development, and the department of management and budget not later than March 1, 2006. The report shall include, but is not limited to, the following:

(a) Estimated revenue losses for each community college for the calendar year 2005.

(b) Confirmed revenue losses for each community college for the calendar years 2003 and 2004.

(c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

ARTICLE 3  
DEPARTMENT OF COMMUNITY HEALTH  
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF COMMUNITY HEALTH**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	4,668.6	
Average population .....	1,135.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 10,326,194,000</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		34,090,000
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 10,292,104,000</b>
Federal revenues:		
Total federal revenues .....		5,533,597,400
Special revenue funds:		
Total local revenues .....		231,524,400
Total private revenues .....		59,073,800
Merit award trust fund .....		50,300,000
Tobacco settlement trust fund .....		72,000,000
Total other state restricted revenues .....		1,393,709,000
State general fund/general purpose .....		\$ 2,951,899,400

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION (HEALTH)**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	207.0	
Director and other unclassified—6.0 FTE positions .....		\$ 581,500
Community health advisory council .....		7,000
Departmental administration and management—197.0 FTE positions .....		21,565,900
Worker’s compensation program .....		8,558,700
Rent and building occupancy .....		8,700,400
Developmental disabilities council and projects—10.0 FTE positions .....		2,679,800
<b>GROSS APPROPRIATION .....</b>		<b>\$ 42,093,300</b>
Appropriated from:		
Federal revenues:		
Total federal revenues .....		11,518,800
Special revenue funds:		
Total private revenues .....		35,900
Total other state restricted revenues .....		3,419,300
State general fund/general purpose .....		\$ 27,119,300

**Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES**

**ADMINISTRATION AND SPECIAL PROJECTS (HEALTH)**

Full-time equated classified positions .....	112.0	
Mental health/substance abuse program administration—111.0 FTE positions .....		\$ 11,959,200
Consumer involvement program .....		189,100
Gambling addiction—1.0 FTE position .....		3,500,000
Protection and advocacy services support .....		777,400
Mental health initiatives for older persons .....		1,049,200
Community residential and support services .....		2,971,200
Highway safety projects .....		750,000
Federal and other special projects .....		3,895,400
Family support subsidy .....		17,935,000
Housing and support services .....		7,237,200
<b>GROSS APPROPRIATION .....</b>		<b>\$ 50,263,700</b>
Appropriated from:		
Federal revenues:		
Total federal revenues .....		32,310,500

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Special revenue funds:	
Total private revenues .....	\$ 190,000
Total other state restricted revenues .....	4,127,900
State general fund/general purpose .....	\$ 13,635,300

**Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS (HEALTH)**

Full-time equated classified positions.....	9.5	
Medicaid mental health services .....		\$ 1,577,446,000
Community mental health non-Medicaid services .....		312,598,300
Medicaid adult benefits waiver .....		40,000,000
Multicultural services .....		4,963,800
Medicaid substance abuse services .....		33,486,700
Respite services .....		1,000,000
CMHSP, purchase of state services contracts .....		125,727,300
Civil service charges .....		1,765,500
Federal mental health block grant—2.5 FTE positions .....		15,345,200
State disability assistance program substance abuse services .....		2,509,800
Community substance abuse prevention, education, and treatment programs .....		85,219,100
Children’s waiver home care program .....		19,549,800
Omnibus reconciliation act implementation—7.0 FTE positions .....		12,475,700
GROSS APPROPRIATION .....		\$ 2,232,087,200

Appropriated from:

Federal revenues:	
Total federal revenues .....	1,041,901,100
Special revenue funds:	
Total local revenues .....	26,072,100
Total other state restricted revenues .....	98,485,800
State general fund/general purpose .....	\$ 1,065,628,200

**Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES (HEALTH)**

Total average population .....	1,135.0	
Full-time equated classified positions .....	2,976.2	
Caro regional mental health center - psychiatric hospital - adult—475.7 FTE positions .....		\$ 40,325,200
Average population .....	205.0	
Kalamazoo psychiatric hospital - adult—518.1 FTE positions .....		41,040,900
Average population .....	200.0	
Walter P. Reuther psychiatric hospital - adult—444.6 FTE positions .....		40,211,100
Average population .....	240.0	
Hawthorn center - psychiatric hospital - children and adolescents—224.4 FTE positions.....		20,077,900
Average population .....	66.0	
Mount Pleasant center - developmental disabilities—496.0 FTE positions .....		38,780,500
Average population .....	199.0	
Center for forensic psychiatry—493.0 FTE positions .....		46,871,200
Average population .....	225.0	
Forensic mental health services provided to the department of corrections—		
313.4 FTE positions .....		32,844,800
Revenue recapture .....		750,000
IDEA, federal special education.....		120,000
Special maintenance and equipment.....		335,300
Purchase of medical services for residents of hospitals and centers .....		2,045,600
Closed site, transition, and related costs—11.0 FTE positions .....		637,600
Severance pay .....		216,900
Gifts and bequests for patient living and treatment environment.....		1,000,000
GROSS APPROPRIATION .....		\$ 265,257,000

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Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of corrections.....	\$ 32,844,800
Federal revenues:	
Total federal revenues .....	34,070,500
Special revenue funds:	
CMHSP, purchase of state services contracts .....	125,727,300
Other local revenues .....	15,146,200
Total private revenues .....	1,000,000
Total other state restricted revenues .....	10,157,100
State general fund/general purpose .....	\$ 46,311,100
<b>Sec. 106. PUBLIC HEALTH ADMINISTRATION (HEALTH)</b>	
Full-time equated classified positions.....	83.4
Public health administration—11.0 FTE positions .....	\$ 1,685,100
Minority health grants and contracts.....	1,550,000
Vital records and health statistics—72.4 FTE positions .....	7,458,800
GROSS APPROPRIATION .....	\$ 10,693,900
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	710,500
Federal revenues:	
Total federal revenues .....	2,765,100
Special revenue funds:	
Total other state restricted revenues .....	5,820,200
State general fund/general purpose .....	\$ 1,398,100
<b>Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS (HEALTH)</b>	
Full-time equated classified positions.....	396.2
Health systems administration—193.6 FTE positions .....	\$ 20,463,000
Emergency medical services program state staff—8.5 FTE positions .....	1,336,200
Radiological health administration—25.0 FTE positions .....	2,372,100
Substance abuse program administration—4.0 FTE positions .....	430,200
Emergency medical services grants and services .....	702,900
Health professions—120.0 FTE positions .....	13,030,400
Health policy, regulation, and professions administration—25.7 FTE positions.....	2,571,700
Nurse scholarship, education, and research program—3.0 FTE positions .....	823,100
Certificate of need program administration—14.0 FTE positions.....	1,683,400
Rural health services—1.0 FTE position.....	1,377,900
Michigan essential health provider.....	1,391,700
Primary care services—1.4 FTE positions .....	2,546,000
GROSS APPROPRIATION .....	\$ 48,728,600
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from treasury .....	113,900
Federal revenues:	
Total federal revenues .....	19,614,400
Special revenue funds:	
Total private revenues .....	150,000
Total other state restricted revenues .....	21,581,900
State general fund/general purpose .....	\$ 7,268,400
<b>Sec. 108. INFECTIOUS DISEASE CONTROL (HEALTH)</b>	
Full-time equated classified positions.....	49.0
AIDS prevention, testing, and care programs—12.0 FTE positions .....	\$ 31,502,000
Immunization local agreements.....	13,990,300
Immunization program management and field support—15.0 FTE positions .....	1,860,700
Sexually transmitted disease control local agreements .....	3,494,900
Sexually transmitted disease control management and field support—22.0 FTE positions.....	3,555,200
GROSS APPROPRIATION .....	\$ 54,403,100

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Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ 38,623,300
Special revenue funds:	
Total private revenues .....	3,250,500
Total other state restricted revenues .....	8,441,400
State general fund/general purpose .....	\$ 4,087,900
<b>Sec. 109. LABORATORY SERVICES (HEALTH)</b>	
Full-time equated classified positions .....	121.0
Bovine tuberculosis—2.0 FTE positions .....	\$ 500,000
Laboratory services—119.0 FTE positions .....	14,969,100
GROSS APPROPRIATION .....	\$ 15,469,100
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from environmental quality .....	420,800
Federal revenues:	
Total federal revenues .....	3,058,000
Special revenue funds:	
Total other state restricted revenues .....	5,232,800
State general fund/general purpose .....	\$ 6,757,500
<b>Sec. 110. EPIDEMIOLOGY (HEALTH)</b>	
Full-time equated classified positions .....	127.5
AIDS surveillance and prevention program .....	\$ 2,513,200
Asthma prevention and control—2.3 FTE positions .....	1,045,600
Bioterrorism preparedness—76.1 FTE positions .....	50,357,000
Epidemiology administration—41.1 FTE positions .....	6,575,700
Newborn screening follow-up and treatment services—8.0 FTE positions .....	3,836,200
Tuberculosis control and recalcitrant AIDS program .....	867,000
GROSS APPROPRIATION .....	\$ 65,194,700
Appropriated from:	
Federal revenues:	
Total federal revenues .....	59,081,200
Special revenue funds:	
Total private revenues .....	25,000
Total other state restricted revenues .....	4,024,700
State general fund/general purpose .....	\$ 2,063,800
<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS (HEALTH)</b>	
Full-time equated classified positions .....	7.0
Implementation of 1993 PA 133, MCL 333.17015 .....	\$ 100,000
Lead abatement program—7.0 FTE positions .....	1,783,100
Local health services .....	220,000
Local public health operations .....	38,043,400
Medical services cost reimbursement to local health departments .....	3,110,000
GROSS APPROPRIATION .....	\$ 43,256,500
Appropriated from:	
Federal revenues:	
Total federal revenues .....	4,645,500
Special revenue funds:	
Total other state restricted revenues .....	491,100
State general fund/general purpose .....	\$ 38,119,900
<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION (HEALTH)</b>	
Full-time equated classified positions .....	51.5
African-American male health initiative .....	\$ 106,700
AIDS and risk reduction clearinghouse and media campaign .....	1,576,000
Alzheimer's information network .....	440,000

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Cancer prevention and control program—14.3 FTE positions .....	\$ 14,236,200
Chronic disease prevention—1.0 FTE position .....	4,575,700
Diabetes and kidney program—9.1 FTE positions .....	3,678,000
Health education, promotion, and research programs—9.3 FTE positions .....	728,600
Injury control intervention project—1.0 FTE position .....	527,900
Morris Hood Wayne State University diabetes outreach.....	400,000
Physical fitness, nutrition, and health .....	700,000
Public health traffic safety coordination—1.7 FTE positions .....	584,900
Smoking prevention program—13.1 FTE positions.....	5,477,500
Tobacco tax collection and enforcement .....	610,000
Violence prevention—2.0 FTE positions.....	1,892,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 35,533,800</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	19,655,800
Special revenue funds:	
Total private revenues .....	85,000
Total other state restricted revenues .....	14,689,200
State general fund/general purpose .....	\$ 1,103,800
<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES</b>	
<b>(HEALTH)</b>	
Full-time equated classified positions.....	45.4
Childhood lead program—5.8 FTE positions .....	\$ 2,522,300
Dental programs.....	485,400
Dental program for persons with developmental disabilities .....	151,000
Early childhood collaborative secondary prevention .....	524,000
Family, maternal, and children's health services administration—39.6 FTE positions .....	4,419,100
Family planning local agreements .....	12,270,300
Local MCH services .....	7,264,200
Migrant health care .....	272,200
Pediatric AIDS prevention and control.....	1,176,800
Pregnancy prevention program.....	5,846,100
Prenatal care outreach and service delivery support.....	3,049,300
School health and education programs .....	500,000
Special projects.....	5,784,900
Sudden infant death syndrome program .....	321,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 44,586,900</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	31,305,600
Special revenue funds:	
Total other state restricted revenues .....	8,464,000
State general fund/general purpose .....	\$ 4,817,300
<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION</b>	
<b>PROGRAM (HEALTH)</b>	
Full-time equated classified positions.....	41.0
Women, infants, and children program administration and special projects—	
41.0 FTE positions .....	\$ 6,498,800
Women, infants, and children program local agreements and food costs.....	179,272,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 185,770,800</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	132,538,400
Special revenue funds:	
Total private revenues .....	53,232,400
State general fund/general purpose .....	\$ 0

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<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES (HEALTH)</b>	
Full-time equated classified positions .....	43.0
Children's special health care services administration—43.0 FTE positions .....	\$ 3,828,700
Amputee program .....	184,600
Bequests for care and services .....	1,889,100
Outreach and advocacy .....	3,773,500
Conveyor contract .....	1,235,300
Medical care and treatment .....	177,626,400
GROSS APPROPRIATION .....	\$ 188,537,600
Appropriated from:	
Federal revenues:	
Total federal revenues .....	90,824,200
Special revenue funds:	
Total private revenues .....	1,000,000
Total other state restricted revenues .....	2,450,000
State general fund/general purpose .....	\$ 94,263,400
<b>Sec. 116. OFFICE OF DRUG CONTROL POLICY (SAFETY)</b>	
Full-time equated classified positions .....	16.0
Drug control policy—16.0 FTE positions .....	\$ 2,104,200
Anti-drug abuse grants .....	24,970,300
Interdepartmental grant to judiciary for drug treatment courts .....	1,800,000
GROSS APPROPRIATION .....	\$ 28,874,500
Appropriated from:	
Federal revenues:	
Total federal revenues .....	28,516,200
Special revenue funds:	
State general fund/general purpose .....	\$ 358,300
<b>Sec. 117. CRIME VICTIM SERVICES COMMISSION (VULNERABLE)</b>	
Full-time equated classified positions .....	10.0
Grants administration services—10.0 FTE positions .....	\$ 1,044,900
Justice assistance grants .....	13,000,000
Crime victim rights services grants .....	9,655,300
GROSS APPROPRIATION .....	\$ 23,700,200
Appropriated from:	
Federal revenues:	
Total federal revenues .....	14,622,200
Special revenue funds:	
Total other state restricted revenues .....	9,078,000
State general fund/general purpose .....	\$ 0
<b>Sec. 118. OFFICE OF SERVICES TO THE AGING (VULNERABLE)</b>	
Full-time equated classified positions .....	36.5
Commission (per diem \$50.00) .....	\$ 10,500
Office of services to aging administration—36.5 FTE positions .....	5,181,700
Community services .....	35,204,200
Nutrition services .....	37,290,500
Senior volunteer services .....	5,624,900
Employment assistance .....	2,818,300
Respite care program .....	7,600,000
GROSS APPROPRIATION .....	\$ 93,730,100
Appropriated from:	
Federal revenues:	
Total federal revenues .....	52,162,700
Special revenue funds:	
Total private revenues .....	105,000
Tobacco settlement trust fund .....	5,000,000
Total other state restricted revenues .....	2,767,000



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State general fund/general purpose .....	\$ 33,695,400
<b>Sec. 119. MEDICAL SERVICES ADMINISTRATION (HEALTH)</b>	
Full-time equated classified positions .....	336.4
Medical services administration—336.4 FTE positions.....	\$ 53,812,500
Facility inspection contract - labor and economic growth .....	132,800
MICHild administration .....	4,327,800
GROSS APPROPRIATION .....	\$ 58,273,100
Appropriated from:	
Federal revenues:	
Total federal revenues .....	41,640,700
Special revenue funds:	
State general fund/general purpose .....	\$ 16,632,400
<b>Sec. 120. MEDICAL SERVICES (HEALTH)</b>	
Hospital services and therapy .....	\$ 1,146,145,700
Hospital disproportionate share payments .....	50,000,000
Physician services .....	265,150,300
Medicare premium payments .....	268,143,100
Pharmaceutical services .....	315,001,600
Home health services .....	62,714,300
Transportation .....	8,738,300
Auxiliary medical services .....	104,116,300
Ambulance services .....	12,855,200
Long-term care services .....	1,885,038,300
Elder prescription insurance coverage .....	3,900,000
Health plan services .....	1,935,938,100
MICHild program .....	47,875,600
Medicaid adult benefits waiver .....	95,696,400
Maternal and child health .....	20,279,500
Social services to the physically disabled .....	1,344,900
Federal Medicare pharmaceutical program.....	174,855,500
County indigent care and third share plans .....	89,167,400
Subtotal basic medical services program.....	6,486,960,500
School-based services .....	68,621,100
Special adjustor and special DSH payments .....	253,689,500
Subtotal special medical services payments .....	322,310,600
GROSS APPROPRIATION .....	\$ 6,809,271,100
Appropriated from:	
Federal revenues:	
Total federal revenues .....	3,856,139,300
Special revenue funds:	
Total local revenues .....	64,578,800
Merit award trust fund .....	50,300,000
Tobacco settlement trust fund .....	67,000,000
Total other state restricted revenues .....	1,191,463,900
State general fund/general purpose .....	\$ 1,579,789,100
<b>Sec. 121. INFORMATION TECHNOLOGY (HEALTH)</b>	
Information technology services and projects .....	\$ 30,468,700
Michigan Medicaid information system .....	100
GROSS APPROPRIATION .....	\$ 30,468,800
Appropriated from:	
Federal revenues:	
Total federal revenues .....	18,603,900
Special revenue funds:	
Total other state restricted revenues .....	3,014,700
State general fund/general purpose .....	\$ 8,850,200

PART 1A  
LINE-ITEM APPROPRIATIONS

Sec. 151. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2005, from the funds indicated in this part:

**DEPARTMENT OF COMMUNITY HEALTH**

APPROPRIATION SUMMARY:

GROSS APPROPRIATION .....	\$	18,800,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	18,800,000
Federal revenues:		
Total federal revenues .....		10,638,900
Special revenue funds:		
Total other state restricted revenues .....		8,161,100
State general fund/general purpose .....	\$	0

**Sec. 152. MEDICAL SERVICES**

Long-term care services .....	\$	18,800,000
GROSS APPROPRIATION .....	\$	18,800,000
Appropriated from:		
Federal revenues:		
Total federal revenues .....		10,638,900
Special revenue funds:		
Total other state restricted revenues .....		8,161,100
State general fund/general purpose .....	\$	0

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$4,467,908,400.00 and state spending from state resources to be paid to units of local government for fiscal year 2005-2006 is \$1,136,195,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF COMMUNITY HEALTH**

**MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION  
AND SPECIAL PROJECTS**

Mental health initiatives for older persons .....	\$	1,049,200
<b>COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b>		
State disability assistance program substance abuse services .....		2,509,800
Community substance abuse prevention, education, and treatment programs .....		18,790,500
Medicaid mental health services .....		658,703,500
Community mental health non-Medicaid services .....		332,098,300
Medicaid adult benefits waiver .....		12,156,000
Multicultural services .....		4,963,800
Medicaid substance abuse services .....		14,530,300
Respite services .....		1,000,000
Omnibus budget reconciliation act implementation .....		2,882,500

**HEALTH POLICY, REGULATION AND PROFESSIONS**

Health professions .....		275,000
Rural health .....		35,000

**INFECTIOUS DISEASE CONTROL**

AIDS prevention, testing and care programs .....		1,400,000
Immunization local agreements .....		2,200,000
Sexually transmitted disease control local agreements .....		421,800

**LABORATORY SERVICES**

Laboratory services .....		54,000
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**LOCAL HEALTH ADMINISTRATION AND GRANTS**

Implementation of 1993 PA 133 .....		7,700
Local public health operations .....		38,043,400

**CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Cancer prevention and control program .....		120,700
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Diabetes and kidney program.....	\$ 295,800
Smoking prevention program .....	860,300
<b>FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES</b>	
Childhood lead program.....	50,000
Dental programs.....	25,000
Family planning local agreements.....	360,000
Local MCH services .....	246,100
Pregnancy prevention program.....	2,300,000
Prenatal care outreach and service delivery support.....	636,000
School health and education programs.....	500,000
<b>CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
Outreach and advocacy .....	1,283,200
<b>MEDICAL SERVICES</b>	
Transportation.....	1,275,300
<b>OFFICE OF SERVICES TO THE AGING</b>	
Community services.....	14,854,300
Nutrition services.....	11,280,300
Senior volunteer services .....	1,153,400
Respite care program .....	4,400,000
<b>CRIME VICTIM SERVICES COMMISSION</b>	
Crime victim rights services grants.....	5,432,100
<b>TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....</b>	<b>\$ 1,136,195,800</b>

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

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

Sec. 203. As used in this article:

- (a) "AIDS" means acquired immunodeficiency syndrome.
- (b) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (c) "Department" means the Michigan department of community health.
- (d) "DSH" means disproportionate share hospital.
- (e) "EPIC" means elder prescription insurance coverage program.
- (f) "EPSDT" means early and periodic screening, diagnosis, and treatment.
- (g) "FTE" means full-time equated.
- (h) "GME" means graduate medical education.
- (i) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.
- (j) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome.
- (k) "HMO" means health maintenance organization.
- (l) "IDEA" means individuals with disabilities education act.
- (m) "IDG" means interdepartmental grant.
- (n) "MCH" means maternal and child health.
- (o) "MICHild" means the program described in section 1670.
- (p) "MSS/ISS" means maternal and infant support services.
- (q) "Specialty prepaid health plan" means a program described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.
- (r) "Title XVIII" means title XVIII of the social security act, 42 USC 1395 to 1395hhh.
- (s) "Title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.
- (t) "Title XX" means title XX of the social security act, 49 USC 1397 to 1397f.
- (u) "WIC" means women, infants, and children supplemental nutrition program.

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

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

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause 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 the vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

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

Sec. 209. (1) 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.

(2) Funds appropriated in part 1 shall not be used for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan goods or services, or both, are available.

Sec. 211. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

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

(a) Maternal and child health block grant .....	\$ 21,162,400
(b) Preventive health and health services block grant .....	5,617,500
(c) Substance abuse block grant.....	60,509,900
(d) Healthy Michigan fund.....	43,512,700
(e) Michigan health initiative.....	10,121,200

(2) On or before February 1, 2006, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this article.

(3) Upon the release of the fiscal year 2006-2007 executive budget recommendation, the department shall report to the same parties in subsection (2) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the fiscal year 2006-2007 executive budget proposal.

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

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds from part 1 shall report by January 1, 2006, to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

- (a) Detailed spending plan by appropriation line item including description of programs.
- (b) Description of allocations or bid processes including need or demand indicators used to determine allocations.
- (c) Eligibility criteria for program participation and maximum benefit levels where applicable.
- (d) Outcome measures to be used to evaluate programs.
- (e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

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

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

(2) The department's ability to satisfy appropriation deductions in part 1 shall not be limited to collections and accruals pertaining to services provided in fiscal year 2005-2006, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

(3) The department shall report by March 15, 2006 to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

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

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes for up to a 3-year period. The department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1, 2005 and May 1, 2006 all of the following:

- (a) A detailed description of each funded project.
- (b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.
- (c) The expected project duration.
- (d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(2) If a report required under subsection (1) is not received by the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before the date specified for that report, the disbursement of funds to the Michigan public health institute under this section shall stop. The disbursement of those funds shall recommence when the overdue report is received.

(3) On or before September 30, 2006, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

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

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

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

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

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

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

Sec. 265. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 266. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in

part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house of representatives and senate standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 267. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

#### **DEPARTMENTWIDE ADMINISTRATION**

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

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

#### **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

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

#### **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

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

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

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

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

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

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

(f) A system of continuous quality improvement.

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

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

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs or specialty prepaid health plans shall be made upon the execution of contracts between the department and CMHSPs or specialty prepaid health plans. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or specialty prepaid health plan that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or specialty prepaid health plans entered into under this subsection for fiscal year 2005-2006 does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

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

(a) Any new contracts with CMHSPs or specialty prepaid health plans that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or specialty prepaid health plans that would affect rates or expenditures are enacted.

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

Sec. 403. From the funds appropriated in part 1 for multicultural services, the department shall ensure that CMHSPs or specialty prepaid health plans continue contracts with multicultural services providers.

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

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

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

(b) Per capita expenditures by client population group.

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

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

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

(i) The number of people receiving requested services.

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

(iii) The number of people requesting services who are on waiting lists for services.

(iv) The average length of time that people remained on waiting lists for services.

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

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

(h) Lapses and carryforwards during fiscal year 2004-2005 for CMHSPs or specialty prepaid health plans.

(i) Contracts for mental health services entered into by CMHSPs or specialty prepaid health plans with providers, including amount and rates, organized by type of service provided.

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

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

(ii) Performance indicator information required to be submitted to the department in the contracts with CMHSPs or specialty prepaid health plans.

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

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

Sec. 405. It is the intent of the legislature that the employee wage pass-through funded in previous years to the community mental health services programs for direct care workers in local residential settings and for paraprofessional and other nonprofessional direct care workers in day programs, supported employment, and other vocational programs shall continue to be paid to direct care workers.

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

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

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

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

Sec. 408. (1) By April 15, 2006, the department shall report the following data from fiscal year 2004-2005 on substance abuse prevention, education, and treatment programs to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

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

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

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

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

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

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

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

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

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

Sec. 412. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance abuse services at not less than the amount contracted for in fiscal year 2004-2005.

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

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

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

Sec. 424. Each community mental health services program or specialty prepaid health plan that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

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

(b) A community mental health services program or specialty prepaid health plan must state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.



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

Sec. 425. By April 1, 2006, the department, in conjunction with the department of corrections, shall report the following data from fiscal year 2004-2005 on mental health and substance abuse services to the house of representatives and senate appropriations subcommittees on community health and corrections, the house and senate fiscal agencies, and the state budget office:

(a) The number of prisoners receiving substance abuse services, which shall include a description and breakdown of the type of substance abuse services provided to prisoners.

(b) The number of prisoners with a primary diagnosis of mental illness and the number of such prisoners receiving mental health services, which shall include a description and breakdown, minimally encompassing the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those prisoners.

(c) The number of prisoners with a primary diagnosis of mental illness and receiving substance abuse services, which shall include a description and breakdown, minimally encompassing the categories of inpatient, residential, and outpatient care, of the type of treatment provided to those prisoners.

(d) Data indicating if prisoners receiving mental health services for a primary diagnosis of mental illness were previously hospitalized in a state psychiatric hospital for persons with mental illness.

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

Sec. 428. (1) Each CMHSP and affiliation of CMHSPs shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for CMHSPs and affiliations of CMHSPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a CMHSP or an affiliation of CMHSPs.

(2) The distribution of the aforementioned increases in the capitation payment rates, if any, shall be based on a formula developed by a committee established by the department, including representatives from CMHSPs or affiliations of CMHSPs and department staff.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1, 2005.

Sec. 439. (1) It is the intent of the legislature that the department, in conjunction with CMHSPs, support pilot projects that facilitate the movement of adults with mental illness from state psychiatric hospitals to community residential settings.

(2) The purpose of the pilot projects is to encourage the placement of persons with mental illness in community residential settings who may require any of the following:

(a) A secured and supervised living environment.

(b) Assistance in taking prescribed medications.

(c) Intensive case management services.

(d) Assertive community treatment team services.

(e) Alcohol or substance abuse treatment and counseling.

(f) Individual or group therapy.

(g) Day or partial day programming activities.

(h) Vocational, educational, or self-help training or activities.

(i) Other services prescribed to treat a person's mental illness to prevent the need for hospitalization.

(3) The pilot projects described in this section shall be completely voluntary.

(4) The department shall provide semiannual reports to the house of representatives and senate appropriations subcommittees on community health, the state budget office, and the house and senate fiscal agencies as to any activities undertaken by the department and CMHSPs for pilot projects implemented under this section.

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

(2) The department shall assure that persons enrolled in the Medicaid adult benefits waiver program shall receive mental health services under the priority population sections of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

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

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

Sec. 450. The department shall continue a work group comprised of CMHSPs or specialty prepaid health plans and departmental staff to recommend strategies to streamline audit and reporting requirements for CMHSPs or specialty prepaid health plans. The charge to this work group shall include a requirement to develop a set of standards and criteria that satisfy all of the department's audit requirements that are to be used by any contractor performing services for CMHSPs or specialty prepaid health plans. The department shall by March 31, 2006 provide those proposed standards and criteria to the house of representatives and senate appropriations subcommittees on community health, the house fiscal agency, the senate fiscal agency, and the state budget director.

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

Sec. 456. The prepaid inpatient health plans shall honor consumer choice to the fullest extent possible when providing Medicaid mental health services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill building assistance and work preparatory services provided in accredited community based rehabilitation organizations, as well as supported and integrated employment services. The prepaid inpatient health plans shall not arbitrarily eliminate any choices from the array of services available to consumers without reasonable justification that those services are not in the consumer's best interest.

Sec. 457. The department shall assure that implementation of the quality assurance assessment program for community mental health prepaid inpatient health plans shall not result in any net reduction in revenue for community mental health services. If the quality assurance assessment program is not implemented, if it is implemented and does not generate the anticipated revenue, or if it is reduced or eliminated at a later date, the department shall present a plan on how the projected general fund/general purpose savings will be achieved to the house of representatives and senate appropriations subcommittees on community health.

Sec. 458. By April 15, 2006, the department shall provide each of the following to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director:

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

(b) A report that evaluates the cost-benefit of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness, modeled after such programming in Oregon or other states.

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

Sec. 460. The department, through its organizational units responsible for departmental administration, operation, and finance, shall establish uniform definitions, standards, and instructions for the classification, assignment, calculation, recording, and reporting of administrative costs by prepaid inpatient health plans (PIHPs), CMHSPs, and contracted organized provider systems that receive payment or reimbursement from funds appropriated under section 104 of part 1. The department shall develop these definitions, standards, and instructions in consultation with representatives of CMHSPs. By April 15, 2006, the department shall provide a written draft of its proposed definitions, standards, and instructions to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 462. The department shall establish a work group comprised of representatives of the department, CMHSPs, legislature, and any other persons considered appropriate to develop a plan to achieve funding equity for all CMHSPs that receive funds appropriated under the community mental health non-Medicaid services line. The funding equity plan shall establish, at a minimum, a payment schedule or scale to ensure that each CMHSP is paid or reimbursed equally based on the recipient's diagnosis or individual plan of service sufficient to meet his or her needs, or both. The department shall submit the written plan to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by May 31, 2006.

Sec. 463. The department shall establish standard program evaluation measures to assess the overall effectiveness of programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance abuse. The measures established by the department shall be modeled after the program outcome measures and best practice guidelines for the treatment of substance abuse as proposed by the federal substance abuse and mental health services administration. By March 1, 2006, the department shall report to the house of representatives and senate

appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on the department's progress in designing and implementing a program effectiveness evaluation system for coordinating agencies and service providers.

Sec. 464. It is the intent of the legislature that revenue received by the department from liquor license fees be expended exclusively to fund programs for the prevention, rehabilitation, care, and treatment of alcoholics pursuant to sections 543(1) and 1115(2) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543 and 436.2115.

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

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

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

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

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$1,000,000.00 remaining on September 30, 2006 from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

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

Sec. 604. (1) The CMHSPs or specialty prepaid health plans shall provide semiannual reports to the department on the following information:

- (a) The number of days of care purchased from state hospitals and centers.
  - (b) The number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers.
  - (c) The number and type of alternative placements to state hospitals and centers other than private hospitals.
  - (d) Waiting lists for placements in state hospitals and centers.
- (2) The department shall semiannually report the information in subsection (1) to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

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

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

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

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

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

**PUBLIC HEALTH ADMINISTRATION**

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

Sec. 651. By April 30, 2006, the department shall submit a report to the house and senate fiscal agencies and the state budget director on the activities and efforts of the surgeon general to improve the health status of the citizens of this state with regard to the goals and objectives stated in the "Healthy Michigan 2010" report, and the measurable progress made toward those goals and objectives.

**HEALTH POLICY, REGULATION AND PROFESSIONS**

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

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

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

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

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

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

Sec. 710. From the funds appropriated in part 1 for primary care services, an amount not to exceed \$2,296,000.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers which are similar to federally qualified health centers.

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

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

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

**INFECTIOUS DISEASE CONTROL**

Sec. 801. In the expenditure of funds appropriated in part 1 for AIDS programs, the department and its subcontractors shall ensure that adolescents receive priority for prevention, education, and outreach services.

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

Sec. 803. The department shall continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary. This section is not intended to prohibit the department from providing assistance for improved AIDS treatment medications.

**LOCAL HEALTH ADMINISTRATION AND GRANTS**

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

Sec. 902. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1, 2005, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 5% of the local health department's local public health operations funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

Sec. 903. The department shall provide a report annually to the house of representatives and senate appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the expenditures and activities undertaken by the lead abatement program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

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

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

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in fiscal year 2005-2006 of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1, 2006, the department shall make available upon request a report to the senate or house of representatives appropriations subcommittee on community health, the senate or house fiscal agency, or the state budget director on the planned allocation of the funds appropriated for local public health operations.

Sec. 905. From the funds appropriated in part 1 for local public health operations, local health departments shall offer hearing screening and vision services at a reduced level than that provided in fiscal year 2004-2005. Local health departments shall target these services to preschool and early elementary aged schoolchildren.

#### **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

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

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

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

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

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

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

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

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

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

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

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

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

#### **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

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

Sec. 1104. Before April 1, 2006, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Actual number of women, children, and/or adolescents served and amounts expended for each group for the fiscal year 2004-2005.

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

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

Sec. 1106a. (1) Federal abstinence money expended in part 1 for the purpose of promoting abstinence education shall provide abstinence education to teenagers most likely to engage in high-risk behavior as their primary focus, and may include programs that include 9- to 17-year-olds. Programs funded must meet all of the following guidelines:

(a) Teaches the gains to be realized by abstaining from sexual activity.

(b) Teaches abstinence from sexual activity outside of marriage as the expected standard for all school-age children.

(c) Teaches that abstinence is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other health problems.

(d) Teaches that a monogamous relationship in the context of marriage is the expected standard of human sexual activity.

(e) Teaches that sexual activity outside of marriage is likely to have harmful effects.

(f) Teaches that bearing children out of wedlock is likely to have harmful consequences.

(g) Teaches young people how to avoid sexual advances and how alcohol and drug use increases vulnerability to sexual advances.

(h) Teaches the importance of attaining self-sufficiency before engaging in sexual activity.

(2) Coalitions, organizations, and programs that do not provide contraceptives to minors and demonstrate efforts to include parental involvement as a means of reducing the risk of teens becoming pregnant shall be given priority in the allocations of funds.

(3) Programs and organizations that meet the guidelines of subsection (1) and criteria of subsection (2) shall have the option of receiving all or part of their funds directly from the department of community health.

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

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

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

(2) Not later than December 1 of the current fiscal year, the department shall make available upon request a report to the senate or house of representatives appropriations subcommittee on community health or the senate or house of representatives standing committee on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures through September 30, 2005.

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

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

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

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

Sec. 1133. The department shall release infant mortality rate data to all local public health departments no later than 48 hours prior to releasing infant mortality rate data to the public.

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

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

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

Sec. 1136. Contingent on the availability of state funds, funds shall be allocated for child advocacy centers.

#### **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

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

#### **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

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

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

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

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

#### **OFFICE OF DRUG CONTROL POLICY**

Sec. 1250. In addition to the \$1,800,000.00 in Byrne formula grant program funding the department provides to local drug treatment courts, the department shall provide \$1,800,000.00 in Byrne formula grant program funding to the judiciary by interdepartmental grant.

#### **CRIME VICTIM SERVICES COMMISSION**

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

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

#### **OFFICE OF SERVICES TO THE AGING**

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

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

- (a) The recipient's degree of frailty.
- (b) The recipient's inability to prepare his or her own meals safely.
- (c) Whether the recipient has another care provider available.
- (d) Any other qualifications normally necessary for the recipient to receive home delivered meals.

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

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

Sec. 1413. The legislature affirms the commitment to locally-based services. The legislature supports the role of local county board of commissioners in the approval of area agency on aging plans. The legislature supports choice and the right of local counties to change membership in the area agencies on aging if the change is to an area agency on aging that is contiguous to that county. The legislature supports the office of services to the aging working with others to provide training to commissions to better understand and advocate for aging issues. It is the intent of the legislature to prohibit area agencies on aging from providing direct services, including home and community-based waiver services, unless the agencies receive a waiver from the department. The legislature's intent in this section is conditioned on compliance with federal and state laws, rules, and policies.

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

### **MEDICAL SERVICES**

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

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

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

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

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

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

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

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

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

Sec. 1607. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

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

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



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

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

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

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

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

Sec. 1615. Unless prohibited by federal or state law or regulation, the department shall require enrolled Medicaid providers to submit their billings for services electronically.

Sec. 1616. Contingent upon recovery of Medicaid managed care and fee-for-service payments through audits or other recovery procedures, \$8,753,700.00, of which \$3,800,000.00 is general fund/general purpose funds, may be authorized within the hospital services and therapy line.

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

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

(3) For fee-for-service recipients, an optional mail order pharmacy program shall be available.

Sec. 1621. (1) The department may implement prospective drug utilization review and disease management systems. The prospective drug utilization review and disease management systems authorized by this subsection shall have physician oversight, shall focus on patient, physician, and pharmacist education, and shall be developed in consultation with the national pharmaceutical council, Michigan state medical society, Michigan association of osteopathic physicians, Michigan pharmacists' association, Michigan health and hospital association, and Michigan nurses' association.

(2) This section does not authorize or allow therapeutic substitution.

Sec. 1621a. (1) The department, in conjunction with pharmaceutical manufacturers or their agents, may establish pilot projects to test the efficacy of disease management and health management programs.

(2) The department may negotiate a plan that uses the savings resulting from the services rendered from these programs, in lieu of requiring a supplemental rebate for the inclusion of those participating parties' products on the department's preferred drug list.

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

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

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

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

Sec. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the MICHild program, maternal outpatient medical services program, state medical program, children's special health care services, and EPIC.

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

Sec. 1628. (1) The department shall convene by April 2006 a committee to study the implementation of psychotropic pharmacy administration under Medicare part D for individuals dually enrolled in the Medicare and Medicaid

programs. This committee shall study and evaluate the effectiveness of mental health consumer enrollment and medication access through the Medicare part D procedures for pharmaceutical management for dual eligibles.

(2) The committee shall include a representative from each of the following organizations: the medical services administration, the office of services to the aging, the department's mental health and substance abuse services division, mental health association of Michigan, national alliance for the mentally ill of Michigan, Michigan psychiatric society, Michigan association of community mental health boards, Michigan pharmacists association, Michigan protection and advocacy service, international association of psychosocial rehabilitation services, and the pharmaceutical industry. The committee shall elect a chairperson who is not employed by state government.

(3) The committee shall produce a report by September 30, 2006 to the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies.

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

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

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

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

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

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

Sec. 1633. From the funds appropriated in part 1 for auxiliary medical services, the department shall expand the healthy kids dental program statewide if funds become available specifically for expansion of the program.

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

Sec. 1635. From the funds appropriated in part 1 for physician services and health plan services, \$6,910,800.00, of which \$3,000,000.00 is general fund/general purpose funds, shall be allocated to increase Medicaid reimbursement rates for obstetrical services.

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

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

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

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

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

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

Sec. 1648. The department shall maintain an automated toll-free phone line to enable medical providers to verify the eligibility status of Medicaid recipients. There shall be no charge to providers for the use of the toll-free phone line.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Annual reports summarizing the problems and complaints reported and their resolution shall be provided to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office.

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

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

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

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

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

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

Sec. 1659. The following sections of this article are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, children's special health care services plan, MIChoice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 401, 402, 404, 414, 418, 424, 428, 1650, 1651, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1666, 1699, and 1700.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 1673. (1) The department may establish premiums for MICHild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not exceed \$15.00 for a family.

(2) The department shall not require copayments under the MICHild program.

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

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

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

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

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

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

(f) Care management services for mental health diagnoses.

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

(h) Emergency ambulance services.

Sec. 1680. (1) Payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program shall be continued in fiscal year 2005-2006.

(2) The department shall not implement any increase or decrease in the Medicaid nursing home wage pass-through program in fiscal year 2004-2005.

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

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

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

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

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

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

Sec. 1684. (1) Of the funds appropriated in part 1 for the Medicaid home- and community-based services program, the payment rate allocated for administrative expenses shall be reduced by \$2.00 per person per day.

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

(3) The department shall provide a report to the house of representatives and senate appropriations subcommittees on community health and the house of representatives and senate fiscal agencies on the number of nursing home patients discharged who are subsequently enrolled in the Medicaid home- and community-based services waiver program, and the associated cost savings.

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

Sec. 1686. (1) The department shall submit a report by April 30, 2006, to the house of representatives and senate appropriations subcommittees on community health and the house of representatives and senate fiscal agencies on the progress of 3 Medicaid long-term care single point of entry services pilot projects. The department shall also submit a final plan to the house of representatives and senate subcommittees on community health and the house of representatives and senate fiscal agencies 60 days prior to any expansion of the program.

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

Sec. 1687. (1) From the funds appropriated in part 1 for long-term care services, the department shall contract with a stand alone psychiatric facility that provides at least 20% of its total care to Medicaid recipients to provide access to Medicaid recipients who require specialized Alzheimer's disease or dementia care.

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

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

Sec. 1689. (1) Priority in enrolling additional persons in the Medicaid home and community-based services program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home and community-based services. The department shall implement screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home and community-based services program. If there is a net decrease in the number of Medicaid nursing home days of care during the most recent quarter in comparison with the previous quarter and a net cost savings attributable to moving individuals from a nursing home to the home and community-based services waiver program, the department shall transfer the net cost savings to the home and community-based services waiver program. If a transfer is required, it shall be done on a quarterly basis.

(2) Within 30 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for the home and community-based waiver program by regions as well as the associated

expenditures. The report shall include information regarding the net cost savings from moving individuals from a nursing home to the home and community-based services waiver program and the amount of funds transferred.

Sec. 1690. The department may work with the federal government to establish an estate preservation program as recommended by the Michigan Medicaid long-term care task force.

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

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

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

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

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

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

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

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

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

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

Sec. 1700. (1) The department, in consultation with the Michigan association of health plans, shall develop a plan to assure that Medicaid payment rates to HMOs in fiscal year 2005-2006 meet the federal requirement for actuarially sound rates. The plan shall include the following strategies as well as other alternatives:

(a) Establish or designate centers for transplant excellence.

(b) Establish statewide contracts for durable equipment.

(c) Decreasing administrative costs.

(d) Shifting end stage renal patients to Medicare.

(2) A copy of the plan shall be submitted to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies by May 30, 2006.

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

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

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

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

(2) To ensure that total expenditures stay within the spending constraints of subsection (1)(b), the department shall develop a utilization adjustor for the basic 2-tier payment methodology. The adjustor shall be based on a good faith estimate by the department as to what the expected utilization of emergency room services will be during fiscal year 2005-2006, given changes in the number and category of Medicaid recipients. If expenditure and utilization data indicate that the amount and/or type of emergency physician professional services are exceeding the department's estimate, the utilization adjustor shall be applied to the 2-tier reimbursement methodology in such a manner as to reduce aggregate expenditures to the fiscal year 2001-2002 adjusted expenditure target.

(3) By April 1, 2006, the department shall establish an emergency room observation rate for Medicaid eligibles with a length of stay of not more than 24 hours.

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

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

Sec. 1713. (1) The department, in conjunction with the Michigan dental association, shall undertake a study to determine the level of participation by Michigan licensed dentists in the state's Medicaid program. The study shall identify the distribution of dentists throughout the state, the volume of Medicaid recipients served by each participating dentist, and areas in the state underserved for dental services.

(2) The study described in subsection (1) shall also include an assessment of what factors may be related to the apparent low participation by dentists in the Medicaid program, and the study shall make recommendations as to how these barriers to participation may be reduced or eliminated.

(3) This study shall be provided to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies no later than April 1, 2006.

Sec. 1716. The department shall seek to maintain a constant enrollment level within the Medicaid adult benefits waiver program throughout fiscal year 2005-2006.

Sec. 1717. (1) The department shall create 2 pools for distribution of disproportionate share hospital funding. The first pool, totaling \$45,000,000.00, shall be distributed using the distribution methodology used in fiscal year 2003-2004. The second pool, totaling \$5,000,000.00, shall be distributed to unaffiliated hospitals and hospital systems that received less than \$900,000.00 in disproportionate share hospital payments in fiscal year 2003-2004 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization.

(2) By November 1, 2005, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

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

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

Sec. 1721. The department shall conduct a review of Medicaid eligibility pertaining to funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual who becomes Medicaid eligible and shall report its findings to the members of the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies not later than May 15, 2006. Included in its report shall be recommendations for policy and procedure changes regarding whether any funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual, after the date of Medicaid eligibility and patient pay amount determination, shall be considered as a countable asset and recommendations for a mechanism for departmental monitoring of those funds.

Sec. 1722. (1) From the funds appropriated in part 1 for special adjustor and special DSH payments, the department is authorized to make a disproportionate share payment of \$33,167,700.00 for health services provided by Hutzel Hospital, \$17,903,200.00 for health services previously funded through the higher education appropriations act, and \$2,310,000.00 for the Michigan State University institute for health care studies.

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

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

Sec. 1725. The department shall work with the department of human services to implement a plan to reduce Medicaid eligibility errors related to basic eligibility requirements and income requirements. The department shall submit the plan to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by March 15, 2006.

Sec. 1726. Any clinical laboratory performing a creatinine test on a Medicaid client shall report the glomerular filtration rate (eGFR) of the patient and shall report it as a percent of kidney function remaining.

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



Sec. 1729. The legislature shall establish a bipartisan joint committee comprised of members of each house of the legislature and representatives of the department of community health. The bipartisan joint committee shall identify cost reduction measures for the state Medicaid program including, but not limited to, additional means or methods of identifying and prohibiting Medicaid fraud and increasing Medicaid estate recovery and savings by utilizing enhanced information technology. The bipartisan joint committee shall attempt to identify, at a minimum, \$40,000,000.00 of potential savings for the state Medicaid program.

Sec. 1730. The funding in part 1 to restore 1/4 of the 4% reduction in Medicaid provider reimbursement rates for hospital services, physician services, pharmaceutical services, home health services, auxiliary medical services, and nursing home services is contingent upon federal approval of the state’s proposal to establish a case rate for inpatient hospital services provided to parents and caretaker relatives who are not required to be covered under federal Medicaid requirements.

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

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

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

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 2001. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1A for fiscal year 2004-2005 is \$8,161,100.00. State payments to local units of government under part 1A are \$0.

Sec. 2002. (1) The appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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

ARTICLE 4

DEPARTMENT OF CORRECTIONS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF CORRECTIONS**

APPROPRIATION SUMMARY:

Average population .....	51,425	
Full-time equated unclassified positions .....	16.0	
Full-time equated classified positions .....	17,510.2	
GROSS APPROPRIATION .....		\$ 1,878,447,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		1,043,800
ADJUSTED GROSS APPROPRIATION .....		\$ 1,877,403,300
Federal revenues:		
Total federal revenues .....		11,410,200
Special revenue funds:		
Total local revenues .....		411,700
Total private revenues .....		0
Total other state restricted revenues .....		66,590,000
State general fund/general purpose .....		\$ 1,798,991,400

**Sec. 102. EXECUTIVE (SAFETY)**

Full-time equated unclassified positions .....	16.0	
Full-time equated classified positions .....	227.2	
Unclassified positions—16.0 FTE positions .....		\$ 1,368,800
Executive direction—32.0 FTE positions .....		3,710,800
Policy and strategic planning—26.0 FTE positions .....		5,499,200

	For Fiscal Year Ending Sept. 30, 2006
Prisoner reintegration programs—4.0 FTE positions.....	\$ 12,878,700
Human resources—165.2 FTE positions .....	14,209,800
Human resources optimization user charges.....	1,299,200
Training .....	3,577,300
Worker's compensation .....	18,899,000
Grant to legislative council .....	500,000
Sheriffs' coordinating and training office.....	2,000,000
GROSS APPROPRIATION .....	\$ 63,942,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP, Michigan justice training fund .....	523,800
Federal revenues:	
DOJ, prisoner reintegration .....	1,035,000
Special revenue funds:	
Local corrections officer training fund.....	2,000,000
State general fund/general purpose .....	\$ 60,384,000
<b>Sec. 103. ADMINISTRATION AND PROGRAMS (SAFETY)</b>	
Average population.....	480
Full-time equated classified positions.....	291.9
Administrative services—70.9 FTE positions .....	\$ 6,412,400
Substance abuse testing and treatment .....	18,220,900
Inmate legal services.....	314,900
Prison industries operations—220.0 FTE positions .....	18,658,700
Rent .....	2,095,200
Equipment and special maintenance.....	2,054,000
Compensatory buyout and union leave bank .....	275,000
Michigan youth correctional facility - lease and management contracts—1.0 FTE position ....	17,840,700
Average population.....	480
Prosecutorial and detainer expenses .....	4,051,000
GROSS APPROPRIATION .....	\$ 69,922,800
Appropriated from:	
Federal revenues:	
DOJ, office of justice programs, RSAT .....	1,093,400
DOJ, office of justice programs, Byrne grants .....	729,400
Special revenue funds:	
Correctional industries revolving fund .....	18,758,700
State general fund/general purpose .....	\$ 49,341,300
<b>Sec. 104. FIELD OPERATIONS ADMINISTRATION (SAFETY)</b>	
Average population.....	310
Full-time equated classified positions .....	1,976.4
Field operations—1,796.1 FTE positions .....	\$ 138,549,100
Parole and probation special operations program.....	500,000
Parole board operations—27.0 FTE positions .....	2,430,200
Loans to parolees.....	294,400
Parole/probation services .....	2,867,300
Corrections centers—48.0 FTE positions .....	5,440,300
Average population.....	310
Electronic monitoring center—36.0 FTE positions .....	4,637,500
Technical rule violator program—69.3 FTE positions.....	8,690,700
GROSS APPROPRIATION .....	\$ 163,409,500
Appropriated from:	
Special revenue funds:	
Local - community tether program reimbursement.....	411,700
Parole and probation oversight fees .....	9,905,100
Tether program, participant contributions .....	5,530,800
Parole and probation oversight fees set-aside.....	2,867,300

	For Fiscal Year Ending Sept. 30, 2006
Corrections centers, resident contributions revenue .....	\$ 374,300
Technical rule violator program, public works user fees .....	182,100
Telephone fees and commissions .....	902,600
State general fund/general purpose .....	\$ 143,235,600
<b>Sec. 105. COMMUNITY CORRECTIONS (SAFETY)</b>	
Full-time equated classified positions .....	17.0
Community corrections administration—17.0 FTE positions .....	\$ 1,662,800
Residential services .....	16,925,500
Community corrections comprehensive plans and services .....	12,533,000
Public education and training .....	50,000
Regional jail program .....	100
Alternatives to prison jail program.....	1,619,600
Alternatives to prison treatment program .....	400,000
Felony drunk driver jail reduction and community treatment program.....	2,097,400
County jail reimbursement program .....	13,249,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 48,537,400</b>
Appropriated from:	
Special revenue funds:	
Telephone fees and commissions .....	12,289,500
Civil infraction fees .....	7,000,000
Parole and probation oversight fees set-aside.....	400,000
State general fund/general purpose .....	\$ 28,847,900
<b>Sec. 106. CONSENT DECREES (SAFETY)</b>	
Average population.....	200
Full-time equated classified positions .....	471.3
Hadix consent decree—138.0 FTE positions.....	\$ 9,997,700
DOJ, consent decree—106.8 FTE positions .....	9,014,800
DOJ, psychiatric plan - MDCH mental health services .....	71,327,600
DOJ, psychiatric plan - MDOC staff and services—226.5 FTE positions .....	15,869,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 106,209,500</b>
Appropriated from:	
State general fund/general purpose .....	\$ 106,209,500
<b>Sec. 107. HEALTH CARE (SAFETY)</b>	
Full-time equated classified positions .....	930.6
Health care administration—21.0 FTE positions .....	\$ 2,272,300
Hospital and specialty care services.....	58,409,100
Vaccination program .....	691,200
Northern region clinical complexes—242.4 FTE positions .....	26,894,700
Southeastern region clinical complexes—362.8 FTE positions .....	49,354,500
Southwestern region clinical complexes—304.4 FTE positions .....	33,596,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 171,218,300</b>
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments .....	331,400
State general fund/general purpose .....	\$ 170,886,900
<b>Sec. 108. CORRECTIONAL FACILITIES ADMINISTRATION (SAFETY)</b>	
Average population .....	1,382
Full-time equated classified positions .....	886.2
Correctional facilities administration—44.0 FTE positions.....	\$ 5,863,300
Housing inmates in federal institutions .....	552,600
Education services and federal education grants—10.0 FTE positions.....	5,671,300
Federal school lunch program .....	712,800
Leased beds and alternatives to leased beds .....	100
Inmate housing fund—421.7 FTE positions .....	40,280,200

	For Fiscal Year Ending Sept. 30, 2006
Average population .....	1,382
Academic/vocational programs—410.5 FTE positions .....	\$ 33,860,700
Supplementary operational expenditures .....	17,840,700
<b>GROSS APPROPRIATION .....</b>	<b>\$ 104,781,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, forensic center food service .....	520,000
Federal revenues:	
DOJ - BOP, federal prisoner reimbursement .....	372,600
DED - OESE, title I .....	517,700
DED - OVAE, adult education .....	1,877,800
DED, adult literacy grants .....	305,900
DED - OSERS .....	100,400
DED, vocational education equipment .....	275,200
DED, youthful offender/Specter grant .....	1,279,400
DOJ - OJP, serious and violent offender reintegration initiative .....	1,010,000
DAG - FNS, national school lunch .....	712,800
SSA - SSI, incentive payment .....	115,100
Federal prison rape grant .....	1,000,000
Special revenue funds:	
Public works user fees .....	73,200
Resident stores .....	127,700
State general fund/general purpose .....	\$ 96,493,900
<b>Sec. 109. NORTHERN REGION CORRECTIONAL FACILITIES (SAFETY)</b>	
Average population .....	14,966
Full-time equated classified positions .....	4,170.2
Alger maximum correctional facility - Munising—343.0 FTE positions .....	\$ 30,266,300
Average population .....	849
Baraga maximum correctional facility - Baraga—405.5 FTE positions .....	34,969,000
Average population .....	1,084
Chippewa correctional facility - Kincheloe—510.3 FTE positions .....	44,492,500
Average population .....	2,122
Kinross correctional facility - Kincheloe—581.3 FTE positions .....	53,520,400
Average population .....	2,719
Marquette branch prison - Marquette—374.8 FTE positions .....	34,643,900
Average population .....	1,070
Newberry correctional facility - Newberry—345.4 FTE positions .....	29,183,300
Average population .....	1,144
Oaks correctional facility - Eastlake—349.5 FTE positions .....	32,515,600
Average population .....	1,156
Ojibway correctional facility - Marenisco—281.2 FTE positions .....	24,011,300
Average population .....	1,282
Pugsley correctional facility - Kingsley—220.4 FTE positions .....	18,338,800
Average population .....	954
Saginaw correctional facility - Freeland—356.0 FTE positions .....	31,942,300
Average population .....	1,480
Standish maximum correctional facility - Standish—402.8 FTE positions .....	36,368,000
Average population .....	1,106
<b>GROSS APPROPRIATION .....</b>	<b>\$ 370,251,400</b>
Appropriated from:	
Special revenue funds:	
Public works user fees .....	497,200
Resident stores .....	1,167,600
State general fund/general purpose .....	\$ 368,586,600

For Fiscal Year  
Ending Sept. 30,  
2006

**Sec. 110. SOUTHEASTERN REGION CORRECTIONAL FACILITIES (SAFETY)**

Average population .....	15,733	
Full-time equated classified positions .....	4,194.9	
Cooper Street correctional facility - Jackson—267.8 FTE positions .....		\$ 24,599,500
Average population .....	1,360	
G. Robert Cotton correctional facility - Jackson—429.3 FTE positions .....		37,807,200
Average population .....	1,854	
Charles E. Egeler correctional facility - Jackson—530.4 FTE positions .....		50,354,900
Average population .....	1,591	
Gus Harrison correctional facility - Adrian—515.8 FTE positions.....		45,702,800
Average population .....	2,262	
Macomb correctional facility - New Haven—321.5 FTE positions .....		27,668,400
Average population .....	1,228	
Mound correctional facility - Detroit—284.8 FTE positions .....		24,522,600
Average population .....	1,051	
Parnall correctional facility - Jackson—264.4 FTE positions .....		23,765,000
Average population .....	1,348	
Ryan correctional facility - Detroit—309.8 FTE positions .....		27,352,200
Average population .....	1,059	
Robert Scott correctional facility - Plymouth—332.5 FTE positions .....		28,327,800
Average population .....	880	
Southern Michigan correctional facility - Jackson—418.8 FTE positions .....		35,484,800
Average population .....	1,481	
Thumb correctional facility - Lapeer—313.8 FTE positions .....		27,804,900
Average population .....	1,219	
Special alternative incarceration program - Cassidy Lake—126.0 FTE positions.....		10,785,900
Average population .....	400	
Jackson area support and services - Jackson—80.0 FTE positions.....		13,587,900
<b>GROSS APPROPRIATION .....</b>		<b>\$ 377,763,900</b>

Appropriated from:

Intradepartmental transfer revenues:

Federal revenues:

DOJ, state criminal alien assistance program .....	985,500
Special revenue funds:	
Public works user fees .....	365,400
Resident stores .....	1,403,900
State general fund/general purpose .....	\$ 375,009,100

**Sec. 111. SOUTHWESTERN REGION CORRECTIONAL FACILITIES (SAFETY)**

Average population .....	18,354	
Full-time equated classified positions .....	4,344.5	
Bellamy Creek correctional facility - Ionia—472.1 FTE positions.....		\$ 43,074,500
Average population .....	1,830	
Earnest C. Brooks correctional facility - Muskegon—478.9 FTE positions .....		43,002,100
Average population .....	2,200	
Carson City correctional facility - Carson City—502.6 FTE positions.....		44,686,300
Average population .....	2,200	
Richard A. Handlon correctional facility - Ionia—256.2 FTE positions .....		23,344,900
Average population .....	1,320	
Ionia maximum correctional facility - Ionia—323.8 FTE positions .....		27,894,400
Average population .....	667	
Lakeland correctional facility - Coldwater—689.3 FTE positions.....		61,811,400
Average population .....	2,992	
Muskegon correctional facility - Muskegon—254.4 FTE positions .....		24,229,800
Average population .....	1,310	
Pine River correctional facility - St. Louis—231.6 FTE positions .....		20,097,800
Average population .....	1,120	

	For Fiscal Year Ending Sept. 30, 2006
Riverside correctional facility - Ionia—519.8 FTE positions .....	\$ 47,338,100
Average population .....	2,331
St. Louis correctional facility - St. Louis—615.8 FTE positions.....	<u>52,854,500</u>
Average population .....	2,384
GROSS APPROPRIATION .....	\$ 388,333,800
Appropriated from:	
Special revenue funds:	
Public works user fees .....	240,300
Resident stores .....	1,638,200
State general fund/general purpose .....	\$ 386,455,300
<b>Sec. 112. INFORMATION TECHNOLOGY (SAFETY)</b>	
Information technology services and projects .....	\$ 14,076,000
GROSS APPROPRIATION .....	<u>\$ 14,076,000</u>
Appropriated from:	
Special revenue funds:	
Correctional industries revolving fund .....	11,200
Parole and probation oversight fees set-aside.....	523,500
State general fund/general purpose .....	\$ 13,541,300

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$1,865,581,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$87,830,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF CORRECTIONS**

Field operations - assumption of county probation staff .....	\$ 43,561,000
Public service work projects .....	10,643,800
Community corrections comprehensive plans and services .....	12,533,000
Community corrections residential services .....	16,925,500
Community corrections public education and training .....	50,000
Felony drunk driver jail reduction and community treatment program.....	2,097,400
Alternatives to prison jail program.....	1,619,600
Alternatives to prison treatment program .....	400,000
Regional jail program .....	<u>100</u>
TOTAL.....	\$ 87,830,400

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

Sec. 203. As used in this article:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG-FNS" means the DAG food and nutrition service.
- (c) "DED" means the United States department of education.
- (d) "DED-OESE" means the DED office of elementary and secondary education.
- (e) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.
- (g) "Department" or "MDOC" means the Michigan department of corrections.
- (h) "DOJ" means the United States department of justice.
- (i) "DOJ-BOP" means the DOJ bureau of prisons.
- (j) "DOJ-OJP" means the DOJ office of justice programs.
- (k) "FTE" means full-time equated.
- (l) "IDG" means interdepartmental grant.
- (m) "IDT" means intradepartmental transfer.
- (n) "MDCH" means the Michigan department of community health.
- (o) "MDSP" means the Michigan department of state police.
- (p) "MPRI" means the Michigan prisoner reentry initiative.

- (q) "OCC" means the office of community corrections.
- (r) "SSA" means the United States social security administration.
- (s) "SSA-SSI" means SSA supplemental security income.

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

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

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

Sec. 206. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

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

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

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and 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.

Sec. 211. (1) Pursuant to the provisions of civil service rules and regulations and applicable collective bargaining agreements, individuals seeking employment with the department shall submit to a controlled substance test. The test shall be administered by the department.

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

Sec. 212. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, union steward activities, public work programs, and services provided to units of government. The revenues and fees collected shall be appropriated for all expenses associated with these services and activities.

Sec. 214. Preference should be given to purchasing produce from Michigan growers and processors when their produce is competitively priced and of comparable quality.

Sec. 216. By February 15, 2006, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing nongeneral fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not such revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2004-2005, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2004-2005, the account balance at the close of fiscal year 2004-2005, and the projected revenues and expenditures for fiscal year 2005-2006.

Sec. 217. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees are subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 218. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of corrections technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 221. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 is limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

#### **EXECUTIVE**

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates by February 1, 2006 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Sec. 402. The department shall prepare by April 1, 2006 individual reports for the technical rule violator program, the community residential program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

- (a) Monthly new participants.
- (b) Monthly participant unsuccessful terminations, including cause.
- (c) Number of successful terminations.
- (d) End month population by facility/program.
- (e) Average length of placement.
- (f) Return to prison statistics.
- (g) Description of each program location or locations, capacity, and staffing.
- (h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.
- (i) Comparison with prior year statistics.
- (j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 404. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by April 1, 2006 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 405. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

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



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

(4) By May 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence from October 1, 2005 through March 30, 2006. After May 1, 2006, the department shall provide monthly reports. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

(a) The number of offenders returned for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The number of offenders returned for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations.

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

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

Sec. 406. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 407. (1) From the funds appropriated in part 1 of this article for prisoner reintegration programs, the department shall continue to develop and maintain reentry programs at Cooper Street correctional facility, the Huron Valley complex, and Macomb correctional facility.

(2) By April 1, 2006, the department shall provide a report on prisoner reintegration programs to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include all of the following information:

(a) Allocations and projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.

(b) An explanation of the objectives and results measures for each program.

(c) An explanation of how the programs will be evaluated.

(d) A discussion of the evidence and research upon which each program is based.

(e) A discussion and estimate of the impact of prisoner reintegration programs on reoffending and returns to prison.

(f) A progress report on applicable results of each program, including but not limited to the estimated bed space impact of prisoner reintegration programs.

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

(4) By September 30, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a comparison of the overall recidivism rates and length of time prior to prison return of offenders who participated in the MPRI with those of offenders who did not. The report should disaggregate the information by each pilot site in order to compare the practices and success rates of each pilot.

(5) If practicable, the department shall include prisoners nearing their maximum sentence in the prison phases of the MPRI.

Sec. 408. From the funds appropriated in part 1, the department shall maintain and make publicly accessible the files of all felony offenders even after an offender is no longer under the department's jurisdiction on the offender tracking information system in the same manner as files of current offenders.

Sec. 409. By March 1, 2006, the department shall report to the senate and house subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on offenders who have served their maximum sentence and been released from prison in the last 5 years. The report shall include the following information:

(a) The number of offenders who were paroled and returned to prison prior to serving their maximum sentence compared to the number of offenders who served their maximum sentence without ever having been paroled.

(b) The number of offenders disaggregated by major offense type: assaultive, nonassaultive, drug, and sex.

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

(d) A comparison of each offender's original offense to the offender's new offense by major offense type: assaultive, nonassaultive, drug, and sex, for offenders who have since returned to prison with a new commitment after previously serving a maximum sentence.

Sec. 410. By January 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the potential for expansion of Michigan state industries clothing textile manufacturing and sales in the private market of clothing textiles not currently being manufactured in Michigan.

Sec. 411. As a condition of expending funds appropriated for policy and strategic planning and prisoner reintegration programs under section 102 of this article, the department shall by January 31, 2006 and each January 31 thereafter provide a plan to reduce recidivism rates among prisoners released from correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on recidivism rates in this state for the most recent 5-year period, a detailed comparison of those rates to rates in other states and a national average, and details on how the department plans to improve recidivism rates. The plan also shall include details on how the department proposes to measure the success of the plan.

#### **ADMINISTRATION AND PROGRAMS**

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

Sec. 502. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

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

Sec. 503. (1) In expending residential substance abuse treatment services funds appropriated under this article, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2004-2005 and projected for fiscal year 2005-2006. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(3) By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender behavior and recidivism.

Sec. 504. The department shall cooperate with the department of community health in providing information for and developing the report required under section 425 of article 3. The report shall, by April 1, 2006, provide the following data concerning mental health and substance abuse services during fiscal year 2004-2005:

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

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

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

(d) Data indicating if prisoners receiving mental health services for a primary diagnosis of mental illness were previously hospitalized in a state psychiatric hospital for persons with mental illness.

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

Sec. 505. The department shall provide quarterly reports on the Michigan youth correctional facility to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The reports shall provide information relevant to an assessment of the safety and security of the institution, including, but not limited to, information on the number of critical incidents by type occurring at the facility, the number of custody staff at the facility, staff turnover rates, staff vacancy rates, overtime reports, prisoner grievances, and number and severity of assaults occurring at the facility. The reports also shall provide information on programming available at the facility and on program enrollments, including, but not limited to, academic/vocational programs, counseling programs, mental health treatment programs, substance abuse treatment programs, and cognitive restructuring programs.

Sec. 506. By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on programs provided during the previous fiscal year at the Michigan youth correctional facility. For each program, the report shall include information on program objectives, outcome measures, and results, including the program's impact on offender behavior and recidivism.

Sec. 507. The department shall require the contract monitor for the Michigan youth correctional facility to provide a manual to each prisoner at intake that details programs and services available at the facility, the processes by which prisoner complaints and grievances can be pursued, and the identity of staff available at the facility to answer questions regarding the information in the manual. The contract monitor shall obtain written verification of receipt from each prisoner receiving the manual. The contract monitor also shall answer prisoner questions regarding facility programs, services, and grievance procedures.

Sec. 508. (1) It is the intent of the legislature that the department renegotiate both the management contract and the lease for the Michigan youth correctional facility with the GEO corporation, with the aim of identifying and achieving \$1,000,000.00 in savings for fiscal year 2005-2006 and each year thereafter. Savings, including savings pertaining to changes in security level, shall be reflected in contract and lease revisions.

(2) If reopened, the management contract shall require that the Michigan youth correctional facility fulfill the same standards for operating and staffing guard towers as are in place in a department facility of the same security level.

(3) By November 1, 2005, the department shall provide a detailed report to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the feasibility of changing the operational security level of the Michigan youth correctional facility. At a minimum, the report shall identify the contractual and statutory changes necessary to operate the facility at security levels other than level V, and on the savings that could be achieved through operating all or part of the facility at 1 or more security levels other than level V.

Sec. 509. From the funds appropriated in part 1, the department shall provide training and materials developed with the receipt of the federal prison rape elimination grant to the staff and prisoners at the Michigan youth correctional facility in addition to the department's facilities.

Sec. 510. The department shall develop and maintain a statewide waiting list for offenders referred for assessment for the assaultive offender program for parole eligibility and, if possible, shall transfer prisoners into facilities where assaultive offender programs are available in order to facilitate timely participation and completion prior to parole eligibility hearings.

Sec. 511. The department may contract with a nationally recognized, experienced agency within the state of Michigan to conduct a complete and thorough quantitative and qualitative study of youth in the juvenile and adult correction systems. The study shall include, but not be limited to, demographic characteristics including race, ethnicity, and gender; offenses; adjudication; programs available and utilization of those programs; outcomes; and aftercare. The department shall submit the results of this study to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by October 30, 2006.

#### **FIELD OPERATIONS ADMINISTRATION**

Sec. 601. From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by September 30, 2006.

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

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

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

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

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

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

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

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

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

Sec. 606. (1) It is the intent of the legislature that the department shall conduct or contract for a study of parole and probation agent workloads. The study shall analyze agent workloads, caseloads, and responsibilities and provide recommendations for changes to workload computations and offender-agent workload or caseload ratios.

(2) By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the results of the study, including information on study timelines, objectives, and methodology.

Sec. 607. It is the intent of the legislature that the department shall implement means by which parolees and probationers may timely contact their parole or probation agents, and develop procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Sec. 608. (1) Funds appropriated in part 1 for the parole and probation special operations program are appropriated for the purpose of funding law enforcement officer escorts for field agents making unscheduled visits to verify offenders' whereabouts and activities in selected precincts in cities with a population of more than 750,000 according to the most recent United States decennial census. As used in this section, "unscheduled visits" means visits to locations other than governmental offices between the hours of 5 p.m. and 8 a.m. and made without appointment with the supervised offender.

(2) It is the intent of the legislature that in the course of expending funds appropriated under part 1 for field operations, the department shall cooperate with the department of attorney general and law enforcement agencies either located in or with jurisdiction in cities with a population of more than 750,000 according to the most recent United States decennial census in assigning field agents to conduct unscheduled visits in selected police precincts in cities with a population of more than 750,000 according to the most recent United States decennial census.

### **COMMUNITY CORRECTIONS**

Sec. 701. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling. As used in this article:

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

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

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

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

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

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

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

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

Sec. 702. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

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

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

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

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

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

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

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

Sec. 703. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program (boot camp), probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plan and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and the use of the county jail reimbursement program under section 706 of this article. The state community corrections board shall encourage local community corrections boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the department of community health for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders, including, but not limited to, probation and parole violators who are at risk of revocation.

Sec. 704. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

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

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

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

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

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

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

Sec. 705. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, and basic state-required jail data.

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

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

Sec. 706. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails felons who otherwise would have been sentenced to prison.

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

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

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

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

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

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

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

(7) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. The department shall by October 15, 2005 distribute the documentation requirements to all counties.

Sec. 707. (1) As a condition of receipt of the funds appropriated in part 1 for community corrections plans and services and probation residential centers, the department shall only award those funds requested under a properly prepared and approved comprehensive corrections plan submitted under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, or directly applied for under section 10 of the community corrections act, 1988 PA 511, MCL 791.410.

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

Sec. 708. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

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

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

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

the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

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

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

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

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

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

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

Sec. 709. (1) By April 1, 2006, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on each of the following:

- (a) The county jail reimbursement program.
- (b) The felony drunk driver jail reduction and community treatment program.
- (c) The alternatives to prison jail and treatment programs.
- (d) The jail capacity expansion program.
- (e) New initiatives to control prison population growth funded under residential services and comprehensive plans and services.

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

- (a) Program objectives and outcome measures.
- (b) Expenditures by location.
- (c) The impact on jail utilization.
- (d) The impact on prison admissions.
- (e) Other information relevant to an evaluation of the program.

#### **CONSENT DECREES**

Sec. 801. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

#### **HEALTH CARE**

Sec. 901. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Sec. 902. (1) As a condition of expenditure of the funds appropriated in part 1, the department shall report to the senate and house appropriations subcommittees on corrections on January 1, 2006 and July 1, 2006 the status of payments from contractors to vendors for health care services provided to prisoners, as well as the status of the contracts, and an assessment of prisoner health care quality.

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

Sec. 903. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 905. It is the intent of the legislature that, with the funds appropriated in part 1 for hospital and specialty care services, the department shall ensure that local providers of ambulance services to prisoners be reimbursed within 60 days of the filing of any uncontested claim for service.

Sec. 906. (1) The department shall identify and manage prisoners who abuse the availability of medical services by obtaining transportation to off-site medical care when unnecessary or reasonably avoidable. In doing this, the department shall, when appropriate, consult with off-site medical facilities on how to accomplish this goal.

(2) By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on its activities and progress in implementing this section.

Sec. 907. The bureau of health care services shall develop information on Hepatitis C prevention and the risks associated with exposure to Hepatitis C, and the health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 1 week before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum.

Sec. 908. From the funds appropriated in part 1, the department shall offer an alanine aminotransferase (ALT) test to each prisoner who has received positive parole action. An explanation of results of the test shall be provided confidentially to the prisoner prior to release on parole, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention in the community. The test shall be voluntary; if the prisoner refuses to be tested, that decision shall not affect parole release, conditions of parole, or parole supervision.

Sec. 909. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another.

#### **INSTITUTIONAL OPERATIONS**

Sec. 1001. As a condition of expenditure of the funds appropriated in part 1, the department shall ensure that smoking areas are designated for use by prisoners and staff at each facility. At a minimum, all outdoor areas within each facility's perimeter shall be designated for smoking, except that smoking may be forbidden within 20 feet of any building designated as nonsmoking or smoke-free.

Sec. 1002. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a pilot children's visitation program. The pilot program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 1003. The department shall prohibit prisoners access to or use of the Internet or any similar system.

Sec. 1004. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the Hepatitis B virus, shall receive a Hepatitis B vaccination upon request.

Sec. 1006. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this article. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

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

Sec. 1007. The department shall establish a uniform rate to be paid by agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

Sec. 1008. It is the intent of the legislature that from the funds appropriated in part 1 for prison operations the department maintain on a voluntary basis 1 or more cognitive restructuring programs.

Sec. 1009. By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs for the most recently completed appropriation year. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

(a) The number of prisoners enrolled in each program, the number of prisoners completing each program, and the number of prisoners on waiting lists for each program.

(b) The steps the department has undertaken to improve programs and reduce waiting lists.

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

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

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

Sec. 1010. (1) By February 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2003-2004 and 2004-2005 who have a high school diploma or a general educational development (G.E.D.) certificate.



(2) By February 1, 2006, the department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with statistical reports on the efficacy of both department-provided prison general education and vocational education programs in reducing offender recidivism rates. At a minimum, the report should compare the recidivism rates of the following groups of offenders:

- (a) Offenders who completed a G.E.D. while in prison and participated in the MPRI.
- (b) Offenders who completed a G.E.D. while in prison but did not participate in the MPRI.
- (c) Offenders who completed a vocational education program while in prison and participated in the MPRI.
- (d) Offenders who completed a vocational education program while in prison but did not participate in the MPRI.

Sec. 1011. As a condition of expending funds appropriated for academic/vocational programs under section 108 of this article, the department shall by January 31, 2006 and each January 31 thereafter provide a plan to increase certification rates among prisoners enrolled in general educational development (G.E.D.) programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on certification rates for the most recent 5-year period, a comparison with prisoner certification rates in other states and a national average, and details on how the department plans to improve certification rates.

Sec. 1012. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton correctional facility in Jackson is acknowledged and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund to produce high quality materials for use by the visually impaired.

Sec. 1013. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By February 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2005.

Sec. 1014. (1) The department shall implement a plan to remove male corrections staff from the housing units in female prisons.

(2) The department shall make the process of filing a claim of sexual assault or harassment less intimidating by designating a staff person in each facility to assist prisoners in filing a complaint to ensure that it is not illegible or vague and does not contain extraneous information.

(3) The department shall refer all complaints of criminal conduct to the Michigan state police.

Sec. 1015. It is the intent of the legislature that the funds appropriated in part 1 for supplementary operational expenditures be used to offset costs of employee wage and salary increases, contractual obligations to pay dry cleaning allowances, and jail capacity grants.

ARTICLE 5  
DEPARTMENT OF EDUCATION  
PART 1  
LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF EDUCATION**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	417.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 117,825,600</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 117,825,600</b>
Appropriated from:		
Federal revenues:		
Total federal revenues .....		70,519,400
Special revenue funds:		
Local cost sharing (schools for blind/deaf) .....		5,151,100
Local school district service fees .....		292,900
Total local revenues .....		5,444,000
Private gifts, bequests, and donations .....		504,900
Private foundations .....		1,393,700
Total private revenues .....		1,898,600

	For Fiscal Year Ending Sept. 30, 2006
Total local and private revenues .....	\$ 7,342,600
Certification fees .....	4,489,400
Commodity distribution fees .....	75,100
Lansing, Michigan school for the blind rent .....	1,811,100
Michigan merit award trust funds .....	16,359,300
Student insurance revenues .....	214,600
Teacher testing fees .....	313,700
Tenant rent .....	150,000
Training and orientation workshop fees .....	100,000
Total other state restricted revenues .....	23,513,200
State general fund/general purpose .....	\$ 16,450,400
<b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT</b>	
<b>(KIDS SUCCEEDING)</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	16.0
State board of education, per diem payments .....	\$ 24,400
Unclassified positions—6.0 FTE positions .....	515,600
State board/superintendent operations—16.0 FTE positions .....	3,130,000
GROSS APPROPRIATION .....	\$ 3,670,000
Appropriated from:	
Federal revenues:	
Federal revenues .....	1,816,900
Special revenue funds:	
Certification fees .....	184,100
Private foundations .....	24,500
State general fund/general purpose .....	\$ 1,644,500
<b>Sec. 103. CENTRAL SUPPORT (KIDS SUCCEEDING)</b>	
Full-time equated classified positions .....	27.0
Central support—27.0 FTE positions .....	\$ 3,485,500
Worker's compensation .....	45,000
Building occupancy charges-property management services .....	1,532,400
Training and orientation workshops .....	100,000
Terminal leave payments .....	620,400
Tenant rent .....	150,000
Human resources optimization user charges .....	29,500
GROSS APPROPRIATION .....	\$ 5,962,800
Appropriated from:	
Federal revenues:	
Federal revenues .....	3,639,400
Special revenue funds:	
Certification fees .....	284,100
Local cost sharing (schools for blind/deaf) .....	93,400
Commodity distribution fees .....	7,000
Teacher testing fees .....	14,100
Tenant rent .....	150,000
Training and orientation workshop fees .....	100,000
State general fund/general purpose .....	\$ 1,674,800
<b>Sec. 104. INFORMATION TECHNOLOGY SERVICES (KIDS SUCCEEDING)</b>	
Information technology operations .....	\$ 2,532,900
GROSS APPROPRIATION .....	\$ 2,532,900
Appropriated from:	
Federal revenues:	
Federal revenues .....	1,551,500
Special revenue funds:	
Certification fees .....	183,400
Local cost sharing (schools for blind/deaf) .....	48,800
State general fund/general purpose .....	\$ 749,200

For Fiscal Year  
Ending Sept. 30,  
2006

**Sec. 105. SPECIAL EDUCATION SERVICES (KIDS SUCCEEDING)**

Full-time equated classified positions.....	52.0	
Special education operations—52.0 FTE positions .....		\$ 11,278,500
<b>GROSS APPROPRIATION .....</b>		<b>\$ 11,278,500</b>
Appropriated from:		
Federal revenues:		
Federal revenues .....		10,923,300
Special revenue funds:		
Certification fees.....		37,500
Private foundations .....		102,300
State general fund/general purpose .....		\$ 215,400

**Sec. 106. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE (EFFECTIVE GOVERNMENT)**

General services.....		\$ 1,821,100
<b>GROSS APPROPRIATION .....</b>		<b>\$ 1,821,100</b>
Appropriated from:		
Special revenue funds:		
Lansing, Michigan school for the blind rent .....		1,811,100
Gifts, bequests, and donations.....		10,000
State general fund/general purpose .....		\$ 0

**Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND (KIDS SUCCEEDING)**

Full-time equated classified positions.....	88.0	
Michigan schools for the deaf and blind operations—87.0 FTE positions .....		\$ 10,641,600
Summer institute .....		90,000
Camp Tuhsmeheeta—1.0 FTE position.....		250,100
Private gifts - blind.....		90,000
Private gifts - deaf .....		50,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 11,121,700</b>
Appropriated from:		
Federal revenues:		
Federal revenues .....		5,120,800
Special revenue funds:		
Local cost sharing (schools for blind/deaf) .....		5,008,900
Local school district service fees .....		282,500
Gifts, bequests, and donations.....		494,900
Student insurance revenue.....		214,600
State general fund/general purpose .....		\$ 0

**Sec. 108. PROFESSIONAL PREPARATION SERVICES (KIDS SUCCEEDING)**

Full-time equated classified positions.....	31.0	
Professional preparation operations—31.0 FTE positions .....		\$ 5,542,800
Department of attorney general.....		50,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 5,592,800</b>
Appropriated from:		
Federal revenues:		
Federal revenues .....		2,658,600
Special revenue funds:		
Certification fees.....		2,634,600
Teacher testing fees .....		299,600
State general fund/general purpose .....		\$ 0

**Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES (KIDS SUCCEEDING)**

Full-time equated classified positions.....	23.0	
Early childhood education and family services operations—23.0 FTE positions.....		\$ 4,030,300
<b>GROSS APPROPRIATION .....</b>		<b>\$ 4,030,300</b>

For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Federal revenues:	
Federal revenues .....	\$ 2,863,400
Special revenue funds:	
Certification fees.....	56,500
Private foundations .....	184,800
State general fund/general purpose .....	\$ 925,600
<b>Sec. 110. SCHOOL IMPROVEMENT SERVICES (KIDS</b>	
<b>SUCCEEDING)</b>	
Full-time equated classified positions.....	74.0
School improvement operations—74.0 FTE positions .....	\$ 16,361,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 16,361,300</b>
Appropriated from:	
Federal revenues:	
Federal revenues .....	14,335,700
Special revenue funds:	
Certification fees.....	518,900
Private foundations .....	1,082,100
State general fund/general purpose .....	\$ 424,600
<b>Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES (KIDS</b>	
<b>SUCCEEDING)</b>	
Full-time equated classified positions.....	20.0
School finance and school law operations—20.0 FTE positions .....	\$ 2,592,700
<b>GROSS APPROPRIATION .....</b>	<b>\$ 2,592,700</b>
Appropriated from:	
Federal revenues:	
Federal revenues .....	1,323,200
Special revenue funds:	
Certification fees.....	490,300
State general fund/general purpose .....	\$ 779,200
<b>Sec. 112. EDUCATION ASSESSMENT AND ACCOUNTABILITY (KIDS</b>	
<b>SUCCEEDING)</b>	
Full-time equated classified positions.....	27.0
Educational assessment operations—27.0 FTE positions .....	\$ 35,196,600
<b>GROSS APPROPRIATION .....</b>	<b>\$ 35,196,600</b>
Appropriated from:	
Federal revenues:	
Federal revenues .....	18,837,300
Special revenue funds:	
Michigan merit award trust funds .....	16,359,300
State general fund/general purpose .....	\$ 0
<b>Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES</b>	
<b>(KIDS SUCCEEDING)</b>	
Full-time equated classified positions.....	59.5
Grants administration and school support services operations—59.5 FTE positions .....	\$ 7,939,900
<b>GROSS APPROPRIATION .....</b>	<b>\$ 7,939,900</b>
Appropriated from:	
Federal revenues:	
Federal revenues .....	7,449,300
Special revenue funds:	
Commodity distribution fees.....	68,100
Local school district service fees .....	10,400
State general fund/general purpose .....	\$ 412,100
<b>Sec. 114. GRANTS AND DISTRIBUTIONS (KIDS SUCCEEDING)</b>	
Middle school math project.....	\$ 100,000
School breakfast programs .....	9,625,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 9,725,000</b>

For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Special revenue funds:	
Certification fees.....	\$ 100,000
State general fund/general purpose .....	\$ 9,625,000

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$39,963,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is estimated at \$9,625,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**GRANTS AND DISTRIBUTIONS  
STATE PROGRAMS:**

School breakfast.....	\$ 9,625,000
TOTAL.....	\$ 9,625,000

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

Sec. 203. As used in this article:

- (a) "Department" means the Michigan department of education.
- (b) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a local act school district or public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.
- (c) "FTE" means full-time equated.
- (d) "ISD" means intermediate school district.

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

Sec. 205. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 206. The department shall provide the state budget director and the senate and house fiscal agencies with copies of the state board of education agenda and all supporting documents at the time the agenda and supporting documents are provided to state board of education members.

Sec. 207. (1) Upon receipt of the federal drug free grant, the department shall allocate \$225,000.00 of the grant to the safe school program within the department. The safe school program shall work with local school boards, parents of enrolled students, law enforcement agencies, community leaders, and the office of drug control policy for the prevention of school violence. The safe school program shall develop and implement, and serve as coordinator of, a statewide clearinghouse for information, program development, model programs and policies, and technical assistance on school violence prevention.

(2) To accomplish its functions under this section, the safe school program shall do all of the following:

- (a) Coordinate with the office of drug control policy in the department of community health to ensure that there is a meaningful linkage between the efforts under this article to provide safe schools and the initiatives undertaken through that office, including, but not limited to, school districts' safe and drug-free school plans, and to facilitate timely applications for and distribution of available grant money.
- (b) Provide through the Internet the availability to and information regarding the state model policy on locker searches, the state model policy on firearm safety and awareness, and any other state or local safety policies that the office considers exemplary.
- (c) Advance, promote, and encourage the awareness and use of the state police antiviolence hotline.

Sec. 208. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher's or employee's personnel file except as required by a court order.

Sec. 209. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 210. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 211. Before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the federal no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

Sec. 212. 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.

Sec. 213. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

Sec. 216. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 217. The department shall pay within 60 days of submission the full amount of any bills submitted by the auditor general for all costs incurred by the auditor general while conducting audits of federally funded programs. The department shall expend federal funds allowable under federal law to satisfy any charges billed by the auditor general.

**STATE BOARD/OFFICE OF THE SUPERINTENDENT**

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

(a) State board of education - president - \$110.00 per day.

(b) State board of education - member other than president - \$100.00 per day.

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

(3) The administrative secretary of the state board of education shall report to the public, the senate and house fiscal agencies, and the state budget director the previous quarter's expenses by fund source for members of the state board of education.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 shall be expended for in-state travel. No funds from the amount appropriated in part 1 shall be expended for out-of-state travel unless the out-of-state travel is directly related to the duties of the state board of education.

Sec. 303. From the amount appropriated in part 1 to state board/superintendent operations, not more than \$350,000.00 shall be expended for a study by the state board of education to advise the legislature and the governor of local, state, and national best practices in education. The study is to review best practices at all levels of the public education process that encourage effective and efficient organization of schools and support improvement in academic achievement. The study should focus on the delivery of public school programs through school organization and services. In undertaking the study, the state board of education is encouraged to work with a third party meeting the qualifications identified in section 1001.

**MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

Sec. 401. The employees at the Michigan schools for the deaf and blind who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 402. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 403. (1) The department may assess rent to any state agency for the use of any facility at the Michigan school for the blind's former site in Lansing. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan school for the blind's former site in Lansing that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for operation, maintenance, and renovation expenses associated with the leased space designated in the tenant's lease agreement.

(3) Security guards or other patrols at the Michigan school for the blind's former site shall not be funded through part 1 funds appropriated for the Michigan schools for the deaf and blind.

(4) If the department leases real property to a person or organization that is not a department of state government, the department shall not expend funds in excess of the lease revenue received to replace, renovate, or repair that real property. This section shall not apply to emergency repairs or costs associated with technological renovations.

(5) The department shall not lease real property for less than fair market value.

(6) From the unexpended balances of appropriations for the former school for the blind site in Lansing, up to \$100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2006 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the former Michigan school for the blind site in Lansing. The work project shall be performed by state employees or by contract when necessary at an estimated cost of \$100,000.00. The estimated completion date of the work project is September 30, 2007.

Sec. 404. (1) The department may assess rent or lease excess property located on the campus of the Michigan schools for the deaf and blind in Flint to private or publicly funded organizations.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan schools for the deaf and blind Flint campus that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for the operation, maintenance, and renovation expenses associated with the leased space.

(3) From the unexpended balances of appropriations for the schools for the deaf and blind operations, up to \$250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2006 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$250,000.00. The estimated completion date of the work is September 30, 2007.

Sec. 407. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 408. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan schools for the deaf and blind to intermediate school districts under subsection (1).

(3) Parents should continue to have a choice regarding the educational placement of their deaf or hard of hearing children.

Sec. 409. In addition to those funds appropriated in part 1, the department may receive and expend funds from the mid-Michigan leadership academy for capital improvements. The department shall report to the house and senate fiscal agencies and the state budget office on an annual basis any expenditures made under this section. These additional funds are appropriated specifically for capital improvements authorized by the department of management and budget and shall be negotiated as part of the lease agreement.

Sec. 410. The department shall report annually to the house and senate appropriations subcommittees on education detailed information on the expenditures made from the amount authorized in part 1 for general services for the Michigan school for the blind's former site.

#### **PROFESSIONAL PREPARATION SERVICES**

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 503. Of the funds appropriated in part 1 for professional preparation operations, not more than \$75,000.00 shall be allocated to Central Michigan University for the alternative route to certification program.

#### **OFFICE OF SCHOOL IMPROVEMENT**

Sec. 601. From the amount appropriated in part 1 for the office of school improvement, there is allocated \$350,000.00 and 3.5 FTE positions to operate a charter school office to administer charter school legislation and associated regulations, and to coordinate the activities of the department relating to charter schools.

#### **GRANTS AND DISTRIBUTIONS**

Sec. 701. The department shall disburse the funds to a general fund grantee in accordance with the same standards of timing and amount that apply to disbursements made by the department to a federal fund grantee. The disbursement shall be restricted to the minimum amount needed for immediate disbursement by the grantee. The department may waive this section if extenuating circumstances warrant and are substantiated in the grantee's application or other appropriate documentation. A waiver granted pursuant to this section shall not be effective until 15 days after written notice of the proposed waiver is given to the state budget director and the chairpersons of the senate and house appropriations subcommittees having jurisdiction over the department budget.

Sec. 702. The funds appropriated in part 1 for school breakfast programs shall be made available to all eligible applicant public school districts as follows:

(a) The public school district participates in the federal school breakfast program and meets all standards as prescribed by 7 CFR parts 220 and 245.

(b) Payment is made for each breakfast served meeting standards prescribed in subdivision (a).

(c) The payment for a public school district is at a per meal rate equal to the lesser of the district's actual cost, or 100% of the cost of a breakfast served by an efficiently operated breakfast program as determined by the department, less federal reimbursement, participant payments, and other state reimbursement. Determination of efficient cost by the department shall be determined by using a statistical sampling of statewide and regional cost as reported in a manner approved by the department for the preceding school year.

(d) The payment determined under subdivision (c) is prorated if the appropriation in part 1 is not sufficient to fund all payments determined under this section.

Sec. 703. From the amount appropriated in part 1 for middle school math project, \$50,000.00 shall be awarded to the Michigan virtual high school and \$50,000.00 shall be awarded to Wayne State University for the purpose of providing professional development for middle school math teachers or for the development or enhancement of middle school math curriculum.

#### **INFORMATION TECHNOLOGY**

Sec. 801. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection efforts of the department.

#### **EDUCATIONAL ASSESSMENT**

Sec. 901. (1) From the funds appropriated in part 1 for the educational assessment operations, the department shall provide tests to nonpublic schools and home-schooled students upon request. The department shall notify nonpublic schools that they are eligible to receive the tests.



(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 student scores and the percentage of students choosing each possible response.

**SCHOOL IMPROVEMENT SERVICES**

Sec. 1001. (1) From the amount appropriated in part 1 to school improvement services, \$350,000.00 shall be expended for benchmarking training services and district-level written reports. However, not more than \$100,000.00 shall be expended for district-level written reports.

(2) The department shall provide benchmarking training services through a third party to assist schools that have not made adequate yearly progress under the no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425, identify and replicate effective curriculum practices in reading, writing, and math. A third party providing these services shall meet all of the following qualifications:

(a) Organizational independence from state and local governments, public agencies, tax supported institutions, and school employees or school employee organizations.

(b) Have a track record of providing public sector performance measurement services that are characterized by analytical transparency, objectivity, and rigor.

(c) Previous experience providing in-service training on the subject of data-driven benchmarking studies of effective practices in curriculum, instruction, and assessment, as may be found in schools whose performance on 1 or more MEAP tests is consistently above that of most other schools that enroll a similar percentage of economically disadvantaged students for 2 to 3 consecutive years and significantly exceeds statistical expectation.

(d) Previous experience providing high-quality in-service training and related print materials that have been favorably evaluated by K-12 educators in a documented manner.

(e) Previous working relationship with 1 or more Michigan-based K-12 professional educational associations.

(3) The department shall provide district-level written reports through a third party, including reports on Michigan’s public schools and public school academies. The report shall analyze a range of performance indicators in demographic and environmental context. A third party providing these services shall meet the following qualifications:

(a) Organizational independence from state and local governments, public agencies, tax supported institutions, and school employees or school employee organizations.

(b) Have a track record of providing public sector performance measurement services that are characterized by analytical transparency, objectivity, and rigor.

(c) Previous experience publishing narrative reports on Michigan’s K-12 educational data that include an analysis of student achievement, educational revenues and expenditures, the return on educational investments, taxes, debt, the learning environment, and demographics.

(d) Demonstrated ability to create comparison groups for the purpose of benchmarking the performance of individual schools and school districts.

(e) Have a track record of using the Internet to do both of the following:

(i) Publish publicly accessible performance measurement reports that describe the comparative circumstances and trends of K-12 educational entities, using narrative text, as well as charts, tables, and graphs.

(ii) Provide interactive tools to search a publicly accessible database consisting of academic, financial, demographic, and contextual data at the school level, district level, and state level, as applicable.

ARTICLE 6  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,567.2	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 455,267,000</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	18,031,100	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 437,235,900</b>
Federal revenues:		
Total federal revenues .....	144,062,700	
Special revenue funds:		
Total local revenues .....	0	
Total private revenues .....	450,000	

	For Fiscal Year Ending Sept. 30, 2006
Total other state restricted revenues .....	\$ 260,913,600
State general fund/general purpose .....	\$ 31,809,600
<b>FUND SOURCE SUMMARY:</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	1,567.2
<b>GROSS APPROPRIATION .....</b>	<b>\$ 455,267,000</b>
Interdepartmental grant revenues:	
IDG-MDCH, local public health operations .....	10,472,500
IDG-MDSP .....	690,100
IDG, Michigan transportation fund .....	959,400
IDT, interdivisional charges .....	2,053,400
IDT, laboratory services .....	3,855,700
Total interdepartmental grants and intradepartmental transfers .....	18,031,100
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ 437,235,900</b>
Federal revenues:	
DHHS, federal .....	4,500
DHS, federal .....	1,473,100
DOC-NOAA, federal .....	3,506,200
DOD, federal .....	508,200
DOI, federal .....	575,000
EPA, brownfield cleanup revolving loan fund .....	1,000,000
EPA, multiple .....	136,995,700
Total federal revenues .....	144,062,700
Special revenue funds:	
Private funds .....	450,000
Total private revenues .....	450,000
Aboveground storage tank fees .....	794,400
Air emissions fees .....	13,119,900
Aquifer protection revolving fund .....	400,000
Campground fund .....	242,100
Clean Michigan initiative - administration .....	3,169,600
Clean Michigan initiative - clean water fund .....	3,187,100
Clean Michigan initiative - pollution prevention activities .....	100,000
Cleanup and redevelopment fund .....	15,774,600
Community pollution prevention fund .....	250,000
Environmental education fund .....	203,700
Environmental pollution prevention fund .....	1,839,700
Environmental protection fund .....	615,100
Environmental response fund .....	11,259,100
Fees and collections .....	565,900
Financial instruments .....	5,000,000
Great Lakes protection fund .....	2,547,100
Groundwater discharge permit fees .....	1,956,600
Hazardous materials transportation permit fund .....	218,800
Laboratory data quality recognition fund .....	15,400
Land and water permit fees .....	3,961,100
Landfill maintenance trust fund .....	52,100
Manufactured housing commission fees .....	633,300
Medical waste emergency response fund .....	250,400
Metallic mining surveillance fee revenue .....	69,400
Mineral well regulatory fee revenue .....	231,200
Nonferrous metallic mineral surveillance .....	200,000
NPDES fees .....	3,437,700
Oil and gas regulatory fund .....	9,660,300
Orphan well fund .....	2,029,600
Public swimming pool fund .....	541,700

For Fiscal Year  
Ending Sept. 30,  
2006

Public utility assessments .....	\$	806,600
Public water supply fees .....		4,619,200
Publication revenue.....		112,700
Refined petroleum fund .....		114,327,800
Retired engineers technical assistance fund .....		1,500,000
Revolving loan revenue bonds .....		11,400,000
Saginaw bay and river restoration revenue.....		165,300
Sand extraction fee revenue .....		194,000
Scrap tire regulatory fund .....		5,957,500
Septage waste contingency fund .....		35,600
Septage waste license fees .....		2,070,400
Settlement funds .....		3,256,800
Sewage sludge land application fee.....		838,700
Soil erosion and sedimentation control training fund.....		108,300
Solid waste program fees .....		4,356,000
Stormwater permit fees .....		2,867,600
Strategic water quality initiatives fund.....		10,010,700
Underground storage tank fees.....		4,493,200
Waste reduction fee revenue .....		4,671,900
Wastewater operator training fees .....		177,400
Water analysis fees .....		3,404,800
Water pollution control revolving fund .....		3,050,200
Water quality protection fund.....		25,000
Water use reporting fees .....		138,000
Total other state restricted revenues .....		260,913,600
State general fund/general purpose .....	\$	31,809,600

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

**(RESOURCE CONSERVATION)**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	79.0	
Unclassified salaries—6.0 FTE positions .....		\$ 482,600
Administrative hearings .....		399,100
Automated data processing .....		2,053,400
Central operations—63.0 FTE positions .....		6,582,500
Environmental support projects.....		5,000,000
Executive direction—9.0 FTE positions .....		2,141,100
Human resource optimization user charges .....		59,100
Office of the Great Lakes—7.0 FTE positions .....		945,900
Building occupancy charges.....		7,850,900
Rent-privately owned property .....		2,066,900
<b>GROSS APPROPRIATION .....</b>		<b>\$ 27,581,500</b>

Appropriated from:

Interdepartmental grant revenues:

IDT, interdivisional charges .....	2,053,400
IDT, laboratory services.....	488,700

Federal revenues:

DOI, federal .....	150,900
EPA, multiple.....	262,500

Special revenue funds:

Aboveground storage tank fees .....	88,200
Air emissions fees.....	848,000
Campground fund .....	17,700
Clean Michigan initiative - administration .....	179,700
Cleanup and redevelopment fund.....	1,368,400
Environmental education fund.....	203,700
Environmental pollution prevention fund .....	62,600

	For Fiscal Year Ending Sept. 30, 2006
Environmental protection fund.....	\$ 50,400
Environmental response fund.....	1,239,000
Fees and collections.....	50,100
Financial instruments.....	5,000,000
Great Lakes protection fund.....	547,100
Groundwater discharge permit fees.....	119,700
Hazardous materials transportation permit fund.....	15,000
Land and water permit fees.....	111,200
Medical waste emergency response fund.....	20,000
NPDES fees.....	319,600
Oil and gas regulatory fund.....	1,623,000
Public swimming pool fund.....	31,000
Public utility assessments.....	32,200
Public water supply fees.....	542,100
Refined petroleum fund.....	4,447,400
Retired engineers technical assistance fund.....	25,700
Scrap tire regulatory fund.....	122,800
Settlement funds.....	863,600
Sewage sludge land application fee.....	38,700
Solid waste program fees.....	139,300
Stormwater permit fees.....	220,700
Underground storage tank fees.....	275,800
Waste reduction fee revenue.....	259,700
Wastewater operator training fees.....	12,900
Water analysis fees.....	123,600
Water use reporting fees.....	8,300
State general fund/general purpose.....	\$ 5,618,800
<b>Sec. 103. AIR QUALITY (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions.....	242.0
Air quality programs—242.0 FTE positions.....	\$ 23,221,800
<b>GROSS APPROPRIATION.....</b>	<b>\$ 23,221,800</b>
Appropriated from:	
Federal revenues:	
EPA, multiple.....	5,558,500
Special revenue funds:	
Air emissions fees.....	11,060,300
Environmental response fund.....	98,900
Fees and collections.....	380,000
Oil and gas regulatory fund.....	100,000
Refined petroleum fund.....	2,652,000
State general fund/general purpose.....	\$ 3,372,100
<b>Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions.....	184.0
Environmental services—27.5 FTE positions.....	\$ 3,116,200
Laboratory services—68.0 FTE positions.....	6,554,900
Municipal assistance—35.5 FTE positions.....	5,116,600
Pollution prevention and technical assistance—53.0 FTE positions.....	4,931,300
Pollution prevention outreach.....	300,000
Retired engineers technical assistance program.....	1,474,300
Revitalization revolving loan program.....	1,000,000
<b>GROSS APPROPRIATION.....</b>	<b>\$ 22,493,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services.....	3,367,000

	For Fiscal Year Ending Sept. 30, 2006
Federal revenues:	
DOC-NOAA, federal.....	\$ 333,200
EPA, brownfield cleanup revolving loan fund.....	1,000,000
EPA, multiple.....	3,260,000
Special revenue funds:	
Private funds.....	300,000
Air emissions fees.....	712,700
Clean Michigan initiative - administration.....	164,000
Environmental protection fund.....	64,700
Environmental response fund.....	625,300
Laboratory data quality recognition fund.....	15,400
Public water supply fees.....	237,300
Retired engineers technical assistance fund.....	1,474,300
Settlement funds.....	220,100
Stormwater permit fees.....	91,200
Strategic water quality initiatives fund.....	210,700
Waste reduction fee revenue.....	4,127,400
Wastewater operator training fees.....	164,500
Water analysis fees.....	3,121,900
Water pollution control revolving fund.....	2,282,100
State general fund/general purpose.....	\$ 721,500
<b>Sec. 105. OFFICE OF GEOLOGICAL SURVEY (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions.....68.0	
Coal and sand dune management—3.0 FTE positions.....	\$ 612,300
Metallic mine reclamation—1.0 FTE position.....	69,400
Mineral wells management—3.0 FTE positions.....	231,200
Nonferrous metallic mining—2.0 FTE positions.....	200,000
Orphan well—2.0 FTE positions.....	2,029,600
Services to oil and gas—57.0 FTE positions.....	7,035,300
GROSS APPROPRIATION.....	\$ 10,177,800
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DOI, federal.....	418,300
Special revenue funds:	
Metallic mining surveillance fee revenue.....	69,400
Mineral well regulatory fee revenue.....	231,200
Nonferrous metallic mineral surveillance.....	200,000
Oil and gas regulatory fund.....	6,922,600
Orphan well fund.....	2,029,600
Publication revenue.....	112,700
Sand extraction fee revenue.....	194,000
State general fund/general purpose.....	\$ 0
<b>Sec. 106. LAND AND WATER MANAGEMENT (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions.....129.0	
Program direction—8.0 FTE positions.....	\$ 868,500
Field permitting and project assistance—72.0 FTE positions.....	6,887,800
Great Lakes shorelands—28.0 FTE positions.....	2,455,100
Water management—21.0 FTE positions.....	2,538,800
GROSS APPROPRIATION.....	\$ 12,750,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG, Michigan transportation fund.....	908,100
Federal revenues:	
DHS, federal.....	935,500
DOC-NOAA, federal.....	1,389,700

	For Fiscal Year Ending Sept. 30, 2006
EPA, multiple.....	\$ 967,100
Special revenue funds:	
Land and water permit fees.....	3,286,000
State general fund/general purpose .....	\$ 5,263,800
<b>Sec. 107. REMEDIATION AND REDEVELOPMENT (RESOURCE     CONSERVATION)</b>	
Full-time equated classified positions.....297.5	
Contaminated site investigation, cleanup, and revitalization—230.5 FTE positions.....	\$ 21,702,200
Federal cleanup project management—67.0 FTE positions.....	7,886,700
Emergency cleanup actions.....	4,000,000
Refined petroleum product cleanup program.....	57,000,000
Refined petroleum initial program .....	45,000,000
State cleanup 451.....	2,500,000
Superfund cleanup .....	4,000,000
Little Black Creek.....	35,000
White Lake, Muskegon County nutrient study .....	36,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 142,159,900</b>
Appropriated from:	
Federal revenues:	
DHHS, federal .....	4,500
DOD, federal .....	498,300
EPA, multiple.....	9,168,100
Special revenue funds:	
Private funds .....	150,000
Clean Michigan initiative - administration .....	2,251,600
Cleanup and redevelopment fund .....	13,307,300
Environmental protection fund.....	500,000
Environmental response fund .....	8,497,500
Landfill maintenance trust fund .....	52,100
Refined petroleum fund .....	106,319,000
Settlement funds .....	1,411,500
State general fund/general purpose .....	\$ 0
<b>Sec. 108. WASTE AND HAZARDOUS MATERIALS (RESOURCE     CONSERVATION, HEALTH)</b>	
Full-time equated classified positions.....183.5	
Aboveground storage tank program—8.0 FTE positions.....	\$ 706,200
Hazardous waste management program—61.0 FTE positions .....	6,027,500
Low-level radioactive waste authority—2.0 FTE positions .....	770,200
Medical waste program.....	230,400
Radiological protection program—16.5 FTE positions .....	1,337,800
Scrap tire regulatory program—11.0 FTE positions.....	985,200
Solid waste management program—50.0 FTE positions .....	4,224,200
Underground storage tank program—35.0 FTE positions.....	4,292,200
<b>GROSS APPROPRIATION .....</b>	<b>\$ 18,573,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP .....	690,100
Federal revenues:	
EPA, multiple.....	3,857,100
Special revenue funds:	
Aboveground storage tank fees .....	706,200
Environmental pollution prevention fund .....	1,777,100
Hazardous materials transportation permit fund.....	203,800
Medical waste emergency response fund .....	230,400
Public utility assessments .....	770,200
Scrap tire regulatory fund .....	985,200

	For Fiscal Year Ending Sept. 30, 2006
Solid waste program fees .....	\$ 4,155,200
Underground storage tank fees .....	4,039,200
Waste reduction fee revenue .....	69,000
State general fund/general purpose .....	\$ 1,090,200
<b>Sec. 109. WATER (RESOURCE CONSERVATION, HEALTH)</b>	
Full-time equated classified positions .....	362.2
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 .....	16,052,700
Fish contaminant monitoring .....	316,100
Groundwater discharge—22.0 FTE positions .....	1,967,600
NPDES nonstormwater program—121.4 FTE positions .....	10,186,000
Sewage sludge land application program—6.5 FTE positions.....	800,000
Surface water—98.1 FTE positions.....	15,281,200
GROSS APPROPRIATION .....	\$ 45,003,600
Appropriated from:	
Federal revenues:	
EPA, multiple.....	18,456,300
Special revenue funds:	
Aquifer protection revolving fund.....	400,000
Campground fund .....	224,400
Clean Michigan initiative - administration .....	574,300
Clean Michigan initiative - clean water fund .....	3,187,100
Environmental response fund .....	158,000
Fees and collections.....	135,800
Groundwater discharge permit fees.....	1,836,900
Land and water permit fees.....	454,500
Manufactured housing commission fees.....	633,300
NPDES fees .....	3,118,100
Public swimming pool fund .....	510,700
Public water supply fees .....	2,167,900
Refined petroleum fund .....	825,700
Saginaw bay and river restoration revenue.....	165,300
Septage waste contingency fund .....	35,600
Septage waste license fees .....	545,400
Sewage sludge land application fee.....	800,000
Soil erosion and sedimentation control training fund.....	108,300
Stormwater permit fees .....	2,555,700
Water pollution control revolving fund .....	631,400
Water use reporting fees .....	129,700
State general fund/general purpose .....	\$ 7,349,200
<b>Sec. 110. CRIMINAL INVESTIGATIONS (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions .....	22.0
Environmental investigations—22.0 FTE positions .....	\$ 2,417,800
GROSS APPROPRIATION .....	\$ 2,417,800
Appropriated from:	
Federal revenues:	
DHS, federal .....	520,300
EPA, multiple.....	143,800
Special revenue funds:	
Environmental response fund .....	123,600
Oil and gas regulatory fund .....	339,200
Scrap tire regulatory fund .....	266,100
State general fund/general purpose .....	\$ 1,024,800
<b>Sec. 111. GRANTS (RESOURCE CONSERVATION, HEALTH)</b>	
Coastal management grants.....	\$ 2,000,000

	For Fiscal Year Ending Sept. 30, 2006
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.....	113,053,500
Drinking water revolving fund implementation.....	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
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
Volunteer river, stream, and creek cleanup.....	25,000
GROSS APPROPRIATION .....	\$ 144,279,700
Appropriated from:	
Interdepartmental grant revenues	
IDG-MDCH, local public health operations .....	10,472,500
Federal revenues:	
DOC-NOAA, federal.....	1,700,000
EPA, multiple.....	93,920,000
Special revenue funds:	
Clean Michigan initiative - pollution prevention activities.....	100,000
Community pollution prevention fund.....	250,000
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.....	9,800,000
Water quality protection fund.....	25,000
State general fund/general purpose .....	\$ 6,853,500
<b>Sec. 112. INFORMATION TECHNOLOGY (RESOURCE CONSERVATION)</b>	
Information technology services and projects .....	\$ 6,607,700
GROSS APPROPRIATION .....	\$ 6,607,700
Appropriated from:	
Interdepartmental grant revenues	
IDG, Michigan transportation fund .....	51,300
Federal revenues:	
DHS, federal .....	17,300
DOC-NOAA, federal.....	83,300
DOD, federal .....	9,900
DOI, federal.....	5,800
EPA, multiple.....	1,402,300
Special revenue funds:	
Air emissions fees.....	498,900
Cleanup and redevelopment fund .....	1,098,900
Environmental response fund .....	516,800
Land and water permit fees.....	109,400
Oil and gas regulatory fund .....	675,500
Public utility assessments .....	4,200
Public water supply fees .....	271,900
Scrap tire regulatory fund .....	83,400



	For Fiscal Year Ending Sept. 30, 2006
Settlement funds .....	\$ 511,600
Solid waste program fees .....	61,500
Underground storage tank fees .....	178,200
Waste reduction fee revenue .....	215,800
Water analysis fees .....	159,300
Water pollution control revolving fund .....	136,700
State general fund/general purpose .....	\$ 515,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$292,723,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$6,288,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY

WASTE AND HAZARDOUS MATERIALS

Radiological protection program .....	\$ 25,000
<b>GRANTS</b>	
Drinking water grants.....	\$ 1,330,000
Grants to counties - air pollution .....	83,700
Household hazardous waste collection program.....	100,000
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
<b>TOTAL.....</b>	<b>\$ 6,288,700</b>

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

Sec. 203. As used in this article:

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

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

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

(2) The state budget director shall grant exceptions to the hiring freeze described in subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall

report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

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

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

Sec. 208. By February 15, 2006, the department shall provide the state budget director, the subcommittees on natural resources and 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, 2005 and September 30, 2006.

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, 2006:

- (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, 2006.

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.

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, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

- (a) The name and location of the site for which an allocation is made.
  - (b) The nature of the problem encountered at the site.
  - (c) A brief description of how the problem will be resolved if the allocation is made for a response activity.
  - (d) The estimated date that site closure activities will be completed.
  - (e) The amount of the allocation, or the anticipated financing for the site.
  - (f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
  - (g) The number of sites that would qualify as brownfields that were redeveloped.
- (2) The report prepared under subsection (1) shall also include all of the following:
- (a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.
  - (b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

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

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

Sec. 212. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program 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 article 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 article 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 article 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 article and any site listed in the public acts referenced in this section.

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

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

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support 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.

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 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.

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.

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

Sec. 220. The department shall 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.

#### **AIR QUALITY**

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**

Sec. 501. By July 1, 2006, 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.

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

#### **GEOLOGICAL AND LAND MANAGEMENT**

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

#### **REMEDICATION AND REDEVELOPMENT**

Sec. 701. The unexpended funds appropriated in part 1 for emergency cleanup actions 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, 2010.

Sec. 702. (1) Of the funds appropriated in part 1 for the refined petroleum product cleanup program, \$42,000,000.00 is prohibited from expenditure until this program is established by law following issuance of recommendations for a permanent cleanup program from the refined petroleum cleanup advisory council.

(2) The appropriation in part 1 for the refined petroleum product cleanup program shall be used to fund corrective actions on the following sites:

<b>Site Name</b>	<b>County</b>
Phil's Sunoco	Alcona
Corner Store	Alger
Laughing Whitefish Trading Post	Alger
Midway General	Alger
Fennville Feed Supply	Allegan
Bellaire Bay Mart	Antrim
Butch's Tackle & Marine	Antrim

Lake Auto Clinic	Antrim
Pickup Capital of the North (former)	Antrim
Res. Wells Torch Lake Twp.	Antrim
Richard Godden	Antrim
Central Oil/Wild Bill's	Arenac
Roe Chevrolet	Arenac
Freeport Auto Service	Barry
State and Apple	Barry
Village of Woodland	Barry
Al's Mobil	Bay
Bill Kunding	Bay
Maple's Grocery	Bay
Mel's Service	Bay
B & M Party Store	Benzie
Village of Honor Res. Wells	Benzie
Andy's Bakertown Grocery	Berrien
Berrien County Sheriff's Substation	Berrien
Cozy Corner General Store	Berrien
Frank's Pro Station	Berrien
Fredrick's Auto Clinic	Berrien
Gary's Union 76	Berrien
Main & Fair SW Corner	Berrien
Main & Oden NE Corner	Berrien
Nyes Shell Service	Berrien
Randy's Amoco	Berrien
Sandalic Grocery & Gas (former)	Berrien
Sterling Express Ltd	Berrien
K & H Tire and Alignment	Branch
Baker Oil-Dickman Road	Calhoun
Baker Oil-E. Michigan	Calhoun
Clark #767 (Marshall)	Calhoun
Clark #768 (Albion)	Calhoun
Clark Service Station #500	Calhoun
H. B. Sherman	Calhoun
Korner Krossroads Party Store	Calhoun
Dave's Repair	Cass
Herb's Auto Care	Cass
Service Mart 2, Union	Cass
Unocal 76, Edwardsburg (Energy Oil)	Cass
Cook Corporation	Cheboygan
Mr. Mug's Donut Shop	Chippewa
Park Shell Service	Chippewa
Ackels Car Care	Clinton
State Road Service	Clinton
Escanaba Schools Bus Garage #2	Delta
Stenberg Bros., Inc.	Delta
Bob's Marathon	Eaton
South End Mobil	Eaton
Farmers Petroleum Coop. Petoskey	Emmet
Central Distributing	Genesee
City of Flint Fire Department - 1818 N Saginaw Street	Genesee
City of Flint Fire Department - 702 W 12th Street	Genesee
Fisherman's Landing	Genesee
J & J Services	Genesee
Spartan Express	Genesee
Sunshine Foods #119	Genesee
Vienna Road Alleyway	Genesee
A and H Racing	Gladwin
Ackett's Country Corners	Gladwin

Bondale Dickens	Gladwin
Gazey & Aleck Station	Gladwin
Sportsmans Landing	Gladwin
4 Corners Finch Scamehorn UN 76 (former Finch's Amoco)	Grand Traverse
Evans Wallpaper & Paint	Grand Traverse
KD's Country Store	Gratiot
Pat's Service	Gratiot
Wilson's Grocery	Gratiot
Former Union 76	Hillsdale
Dunk's Garage	Huron
Engelhardt Petroleum, Inc.	Huron
Mouch's Auto Sales	Huron
Action Auto #23	Ingham
Former Clark #531	Ingham
Gene Carr	Ionia
Bublitz Oil	Iosco
Bublitz Oil - East Tawas Marathon	Iosco
Bublitz Oil - Tawas City	Iosco
Darrel's Maxi Muffler	Iosco
DNR - RED - Whittemore (Tax Reverted)	Iosco
Graham Oil Co. Bulk Plant	Iosco
Firstbank - Winn Branch	Isabella
Clark #501	Jackson
Dawn Donuts	Jackson
Joseph James Halm	Jackson
Alamo General Store	Kalamazoo
Beach Products	Kalamazoo
Bud's Auto Repair	Kalamazoo
Fulton Sunoco	Kalamazoo
Liberty Gas	Kalamazoo
McLeieer Oil Co. - 1718 E. Mich.	Kalamazoo
Starvation Lake General Store	Kalkaska
Fennema Trenching Inc.	Kent
Huck's Corners	Kent
Kountry Korner	Kent
Rockford Market	Kent
Uncle Lee's Trading Post	Kent
C & J Service (H. Jerry Powelka)	Lenawee
Clark Adrian	Lenawee
Lakeland Montessori School	Livingston
Leon Bonner Property	Livingston
Millie's Market	Livingston
The Pit	Livingston
Bob's Standard Service	Luce
C & V Grocery	Luce
Action Auto (former)	Macomb
D & D Jefferson Inc	Macomb
Ernst Gas & Oil	Macomb
Former Doyle's Auto Parts	Macomb
Montgomery Ward	Macomb
Sokana Mobil	Macomb
Warren Fire Station 1	Macomb
Warren Fire Station 2	Macomb
Warren Fire Station 3	Macomb
Warren Fire Station 5	Macomb
Warren Fire Station 6	Macomb
Greenwood Self Serve	Marquette
Harvey Mini 1	Marquette
Harvey Oil Co.	Marquette

Holiday Station - Negaunee	Marquette
Total Image Salon	Marquette
Joe's Tire/Ridderman Oil	Mecosta
RLJ Realty Co.	Midland
Dutch Hutch	Missaukee
Amble Oil Co.	Montcalm
Coral General Store	Montcalm
Edmore Mobil	Montcalm
Former Sports Center, Inc.	Montmorency
Joey's Service	Montmorency
Lowell Street (Homant Oil)	Montmorency
Mary D's	Montmorency
Wyson's General Store	Montmorency
Broton's Service	Muskegon
Laketon Auto Clinic	Muskegon
Meat Block	Muskegon
Reliable Truck & Crane	Muskegon
Grant Mini Mart	Newaygo
Up North Gift Co.	Newaygo
Wesco #14/Triangle Market	Newaygo
415 E. Hudson	Oakland
Clark #903	Oakland
Dandy Oil Inc	Oakland
DOC Optical	Oakland
Don & Stan's/Joe's Towing	Oakland
Emma Milner Property	Oakland
Farmer's Petroleum Cooperation	Oakland
Former Wayne - Oakland Oil Company	Oakland
Winebasket Mkt./Jenny Ent.	Oakland
East Hart Party Store	Oceana
William Crawford Property	Oceana
Franklin Forge	Ogemaw
Rose City Feed & Tack	Ogemaw
Ontonagon Mobil Mart	Ontonagon
Andy's Standard Service	Osceola
LeRoy Garage	Osceola
Ralph's Marathon	Osceola
Don's Marathon	Oscoda
Family Book Shelve	Oscoda
Jamestown Garage	Ottawa
Radio Tavern & Grocery	Presque Isle
Charlie's Place	Roscommon
Albee Marathon	Saginaw
Chapin General Store	Saginaw
Janes Street, 2984	Saginaw
Janes Street, 3035	Saginaw
Kucher's Service	Saginaw
Stanley Hill	Saginaw
Amoco Group	Sanilac
Former Gas Station - 104 W. Grand River	Shiawassee
Save-U Station (former)	Shiawassee
Anady Property	St. Clair
Former Gulf Station	St. Clair
Payless SuperAmerica	St. Joseph
Former Clark #1586	Tuscola
Former Gagetown Gas & Oil Total	Tuscola
Mr. C's Service	Tuscola
Salmo Property	Tuscola
Broekhutzen Produce	Van Buren

Lakeside Kwik Stop	Van Buren
Pullman Industries	Van Buren
Arbor Wash	Washtenaw
Fmr. Clark	Washtenaw
Jimmie's Filling Station	Washtenaw
Lloyd Cochran	Washtenaw
Marathon (Gillespie)	Washtenaw
S & S Auto	Washtenaw
Total #2542 (former)	Washtenaw
7 Mile & I-75 Petro Mart	Wayne
8 Mile & Gratiot	Wayne
Cal's Car Care, Inc.	Wayne
City of Detroit - DOT - 14044 Schaefer	Wayne
City of Detroit - DOT - 5600 Wabash St.	Wayne
City of Detroit - DOT - 5800 Russell St.	Wayne
Hail Investments Inc.	Wayne
Independent Transmission	Wayne
JJ Curran Crane	Wayne
Levan Party Store	Wayne
Master Petroleum	Wayne
Mercury Manufacturing	Wayne
Micks Auto	Wayne
Reclamation Co.	Wayne
Shoemaker 11031	Wayne
St. Claire Service, Inc.	Wayne
Titan Finishes	Wayne
Titan Heating	Wayne
US Equipment	Wayne
Wise Automotive	Wayne

Sec. 703. The appropriation in part 1 for refined petroleum initial program shall be spent according to the recommendations of the refined petroleum cleanup advisory council issued on July 7, 2005 for owner/operator reimbursement for cleanup activities, up to \$50,000.00 per site.

Sec. 704. 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.

#### **WASTE AND HAZARDOUS MATERIALS**

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.

Sec. 802. 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**

Sec. 901. By February 1, 2006, 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 and natural resources, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

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

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

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

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

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

Sec. 902. 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.

Sec. 903. Except as provided under part 317 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.31701 to 324.31713, or 2003 PA 148, the department shall not draft, develop, or implement administrative rules, policies, guidelines, or procedures that regulate, permit, monitor, or otherwise control the quantity of groundwater use.

**CRIMINAL INVESTIGATIONS**

Sec. 1001. From funds appropriated in part 1, the department shall conduct periodic inspections of imported solid waste at disposal facilities to mitigate the unpermitted disposal of waste at Michigan disposal sites.

**GRANTS**

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

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

Sec. 1103. The appropriation in part 1 for 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, 2006, 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.

ARTICLE 8  
HIGHER EDUCATION  
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**HIGHER EDUCATION**

APPROPRIATION SUMMARY:

Full-time equated classified positions .....	1.0	
GROSS APPROPRIATION .....		\$ 1,733,943,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....		\$ 1,733,943,900
Federal revenues:		
Total federal revenues .....		3,500,000
Special revenue funds:		
Total local revenues .....		0

	For Fiscal Year Ending Sept. 30, 2006
Total private revenues .....	\$ 0
Total other state restricted revenues .....	153,500,000
State general fund/general purpose .....	\$ 1,576,943,900
<b>Sec. 102. CENTRAL MICHIGAN UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 80,061,900
GROSS APPROPRIATION .....	\$ 80,061,900
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund .....	538,440
State general fund/general purpose .....	\$ 79,523,460
<b>Sec. 103. EASTERN MICHIGAN UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 76,140,600
GROSS APPROPRIATION .....	\$ 76,140,600
Appropriated from:	
State general fund/general purpose .....	\$ 76,140,600
<b>Sec. 104. FERRIS STATE UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 48,634,700
GROSS APPROPRIATION .....	\$ 48,634,700
Appropriated from:	
State general fund/general purpose .....	\$ 48,634,700
<b>Sec. 105. GRAND VALLEY STATE UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 61,129,900
GROSS APPROPRIATION .....	\$ 61,129,900
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund .....	5,000,000
State general fund/general purpose .....	\$ 56,129,900
<b>Sec. 106. LAKE SUPERIOR STATE UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 12,506,300
GROSS APPROPRIATION .....	\$ 12,506,300
Appropriated from:	
State general fund/general purpose .....	\$ 12,506,300
<b>Sec. 107. MICHIGAN STATE UNIVERSITY (PREPARED FOR JOBS, THRIVING ECONOMY)</b>	
Operations.....	\$ 283,730,300
Agricultural experiment station.....	33,163,800
Cooperative extension service.....	28,604,300
GROSS APPROPRIATION .....	\$ 345,498,400
Appropriated from:	
State general fund/general purpose .....	\$ 345,498,400
<b>Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 48,018,800
GROSS APPROPRIATION .....	\$ 48,018,800
Appropriated from:	
State general fund/general purpose .....	\$ 48,018,800
<b>Sec. 109. NORTHERN MICHIGAN UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 45,051,600
GROSS APPROPRIATION .....	\$ 45,051,600
Appropriated from:	
State general fund/general purpose .....	\$ 45,051,600
<b>Sec. 110. OAKLAND UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 50,685,700
GROSS APPROPRIATION .....	\$ 50,685,700
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund .....	1,941,768
State general fund/general purpose .....	\$ 48,743,932

	For Fiscal Year Ending Sept. 30, 2006
<b>Sec. 111. SAGINAW VALLEY STATE UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 27,499,800
GROSS APPROPRIATION .....	\$ 27,499,800
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	2,019,792
State general fund/general purpose .....	\$ 25,480,008
<b>Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR (PREPARED FOR JOBS)</b>	
Operations.....	\$ 316,368,500
GROSS APPROPRIATION .....	\$ 316,368,500
Appropriated from:	
State general fund/general purpose .....	\$ 316,368,500
<b>Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN (PREPARED FOR JOBS)</b>	
Operations.....	\$ 24,739,200
GROSS APPROPRIATION .....	\$ 24,739,200
Appropriated from:	
State general fund/general purpose .....	\$ 24,739,200
<b>Sec. 114. UNIVERSITY OF MICHIGAN - FLINT (PREPARED FOR JOBS)</b>	
Operations.....	\$ 20,903,100
GROSS APPROPRIATION .....	\$ 20,903,100
Appropriated from:	
State general fund/general purpose .....	\$ 20,903,100
<b>Sec. 115. WAYNE STATE UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 214,666,300
GROSS APPROPRIATION .....	\$ 214,666,300
Appropriated from:	
State general fund/general purpose .....	\$ 214,666,300
<b>Sec. 116. WESTERN MICHIGAN UNIVERSITY (PREPARED FOR JOBS)</b>	
Operations.....	\$ 109,695,200
GROSS APPROPRIATION .....	\$ 109,695,200
Appropriated from:	
State general fund/general purpose .....	\$ 109,695,200
<b>Sec. 117. STATE AND REGIONAL PROGRAMS (PREPARED FOR JOBS)</b>	
Full-time equated positions.....	1.0
Higher education database modernization and conversion—1.0 FTE position.....	\$ 200,000
Midwestern higher education compact.....	90,000
GROSS APPROPRIATION .....	\$ 290,000
Appropriated from:	
State general fund/general purpose .....	\$ 290,000
<b>Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM (PREPARED FOR JOBS)</b>	
Select student supportive services.....	\$ 1,956,100
Michigan college/university partnership program.....	586,800
Morris Hood, Jr. educator development program .....	148,600
GROSS APPROPRIATION .....	\$ 2,691,500
Appropriated from:	
State general fund/general purpose .....	\$ 2,691,500
<b>Sec. 119. GRANTS AND FINANCIAL AID (PREPARED FOR JOBS)</b>	
State competitive scholarships .....	\$ 34,630,500
Tuition grants.....	58,768,100
Michigan work-study program .....	7,326,300
Part-time independent student program.....	2,653,300
Michigan education opportunity grants .....	2,084,200
Robert C. Byrd honors scholarship program .....	1,500,000
Nursing scholarship and grant programs .....	4,000,000
Michigan merit award program .....	126,400,000

	For Fiscal Year Ending Sept. 30, 2006
Tuition incentive program .....	\$ 12,000,000
GROSS APPROPRIATION .....	\$ 249,362,400
Appropriated from:	
Federal revenues:	
Higher education act of 1965, title IV, 20 USC.....	2,000,000
Higher education act of 1965, title IV, part A .....	1,500,000
Special revenue funds:	
Michigan merit award trust fund.....	137,000,000
Michigan higher education assistance authority operating fund .....	3,000,000
Tuition grant carryforward.....	4,000,000
State general fund/general purpose .....	\$ 101,862,400

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$1,730,443,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

Part-time independent student program.....	\$ 1,255,700
Michigan education opportunity grant.....	932,900
Michigan work-study .....	1,570,500
TOTAL.....	\$ 3,759,100

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

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2005. Except for Wayne State University, each institution shall accrue its July and August 2006 payments to its institutional fiscal year ending June 30, 2006. The monthly payments to each state university for operations for July and August 2006 shall be paid pursuant to section 418(6). The remaining 9 monthly payments to each state university for operations shall be made in equal installments. The appropriations in part 1 for the agriculture experiment station and cooperative extension service shall be paid in 11 equal monthly installments.

(2) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For universities with fiscal years ending June 30, 2005, these data shall be submitted to the state budget director by October 15, 2005. Universities with a fiscal year ending September 30, 2005 shall submit preliminary HEIDI data by November 15, 2005 and final data by December 15, 2005. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this article notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Sec. 215. A state institution of higher education that receives funds under this article shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

#### **GRANTS AND FINANCIAL AID**

Sec. 301. (1) Payments of the amounts included in part 1 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) The Michigan higher education assistance authority shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(4) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(5) Students who receive aid under 1964 PA 208, MCL 390.971 to 390.981, shall be awarded scholarships on the basis of merit and financial need. Veterans administration benefits shall not be considered in determining eligibility under 1964 PA 208, MCL 390.971 to 390.981.

Sec. 302. (1) The amounts appropriated in part 1 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents who apply before July 15, 2005 and who are qualified. The application deadline will be July 1, 2006 for fiscal year 2006-2007 tuition grant awards and June 15, 2007 for fiscal year 2007-2008 tuition grant awards. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-1996 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student, which shall be no less than \$2,000.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the authority determines that insufficient funds are available to establish a maximum award amount of \$2,000.00, the authority shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director, regarding the estimated amount of additional funds necessary to establish a \$2,000.00 maximum award amount. By December 15, 2005, and again by February 1, 2006, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2006. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2006 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2006, but shall continue to be available for expenditure for tuition grants provided in the 2006-2007 fiscal year. The use of these unexpended fiscal year 2005-2006 funds shall terminate at the end of the 2006-2007 fiscal year.

(5) The Michigan higher education assistance authority shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2005-2006.

(7) All Ferris State University students enrolled at Kendall College of Art and Design prior to January 1, 2001 who were qualified for the state tuition grant shall continue to receive the dollar amount of the state tuition grant for which they were eligible until they graduate or are no longer enrolled in the Kendall College of Art and Design at Ferris State University.

Sec. 303. (1) Included in the appropriation in part 1 is funding for the Michigan work-study program established under 1986 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An effort should be made by each institution participating in the Michigan work-study program to assure that not less than 10% of those undergraduate, graduate, and professional students eligible to participate in the program are placed with for-profit employers no later than December 31 of each year for which funding is provided under this article.

(2) The Michigan higher education assistance authority shall allocate funds to institutions eligible for work-study money based upon each institution's specific Pell grant index and each institution's utilization rate of work-study funds for the 3 most recent years for which statistics are available.

(3) The Michigan higher education assistance authority shall set aside not more than 5% of the total work-study appropriation to process requests from participating institutions for allocation adjustments. Allocation adjustments shall be based on criteria set by the authority prior to making the allocations under subsection (2).

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2006.

Sec. 308. The sums appropriated in part 1 for the student financial aid programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, nursing scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

(b) For the work-study program, payments shall be made in 11 monthly installments from October 1 to August 31 of any year.

(c) For the part-time independent student program and the Michigan education opportunity grant program, 50% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, and 25% at the beginning of the state's third fiscal quarter.

(d) For the Robert C. Byrd honors scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter.

Sec. 309. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program/high school completion program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program/high school completion program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(3) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, a person shall meet all of the following criteria:

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, a person must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower level division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that potentially eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

Sec. 311. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Sec. 312. From the funds appropriated in part 1 for nursing scholarship and grant programs, the Michigan higher education assistance authority shall administer any nursing scholarship or nursing school grant programs authorized under the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

#### **STATE UNIVERSITIES**

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Sec. 405. (1) There is created the higher education institutional data inventory advisory committee. The committee shall be appointed by the state budget director and shall consist of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

(c) One representative from the state budget director's office.

(d) Three representatives of the presidents council of state universities. The presidents council shall appoint 1 representative each from a masters, a doctoral, and a research university.

(2) The committee shall be responsible for maintaining and enhancing the state higher education database for which funding is included in part 1.

Sec. 418. (1) The amounts appropriated for state university operations in part 1 include monthly payment amounts for July and August 2006 calculated using a funding model for determining state university appropriation amounts, as described in this section.

(2) The total funds initially allocated under the funding model were equal to \$1,414,319,000.00. From this amount, the following percentages were allocated to the following components:

(a) 37.5% to an enrollment-based component.

(b) 37.5% to a degree-based component.

(c) 25.0% to a research-based component.

(3) Under the enrollment-based component, each state university received a funding amount per resident, or nonresident undergraduate, fiscal year equated student and a funding amount per nonresident graduate fiscal year equated student, based on fiscal year 2003-2004 data reported to the higher education institutional data inventory (HEIDI). The amount per nonresident graduate student was set at 75.0% of the amount per resident, or nonresident undergraduate, student. Those amounts were calculated so that total enrollment-based funding to all state universities was equal to the funds allocated to this component.

(4) Under the degree-based component, each state university received a funding amount per degree awarded, based on fiscal year 2003-2004 data reported to the integrated postsecondary education data system and subsequently included in HEIDI. The base funding amount was multiplied, in sequence, by weights that vary by the academic level and program category of the degree. The base funding amount for a bachelor's degree in a general field was calculated so that total degree-based funding was equal to the funds allocated to this component. The weights were as follows:

(a) Academic level:

(i) 0.25 for an associate's degree.

(ii) 1.00 for a bachelor's degree.

(iii) 0.25 for a master's or doctoral degree.

(iv) 0.50 for a professional degree.

(b) Program category:

(i) 1.00 for a degree in a general area.

(ii) 2.00 for a degree in a natural science-related area.

(iii) 4.00 for a degree in an engineering- or technology-related area.

(iv) 4.00 for a degree in a health-related area.

(5) Under the research-based component, each university received funds based on a percentage of science- and engineering-related obligations awarded to that state university by the federal government based on the average of fiscal year 2000-2001 and fiscal year 2001-2002 data reported by the national science foundation based on a survey of federal agencies. The amount of funds any university could receive under this component was capped at 40.0% of the total funds allocated to the component. The percentage of federal funds awarded was calculated so that total research-based funding was equal to the funds allocated to this component.

(6) The initial annual funding amount for each state university was calculated by adding the amounts calculated under each of the 3 funding model components under subsection (2). To determine the final annual funding amount for each state university under the funding model, negative differences from the amounts proposed for each state university under the fiscal year 2005-2006 executive recommendation were limited to 5.0% and positive differences from the amounts proposed for each state university under the fiscal year 2005-2006 executive recommendation were limited to 10.0%. Funds were then added to the annual funding model amounts for any universities with negative differences from the amount proposed under the fiscal year 2005-2006 executive recommendation in an amount sufficient to exactly offset those differences. The monthly payment amount to be paid to each state university in both July and August 2006 under section 212 shall be equal to the annual funding model amount for that state university, after differences from the executive recommendation have been limited and funds have been added for universities with negative differences from the executive recommendation, divided by 11.

(7) If the funding model described in this section is used to determine state university appropriation amounts in future fiscal years, it is the intent of the legislature that any future increases in reported federal science- and engineering-related obligations for a university receiving a capped amount of funding in fiscal year 2005-2006 shall be eligible for increased funding under the funding model.

Sec. 426. It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the agricultural experiment station and \$2,619,000.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

(2) The department of agriculture and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop project GREEN and its program priorities.

(3) Not later than September 30, 2006, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Sec. 436. It is the intent of the legislature that if any Michigan public university increases its resident undergraduate tuition and required fees from academic year 2004-2005 to academic year 2005-2006, then that university shall increase its fiscal year 2005-2006 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each public university shall report its proposed fiscal year 2005-2006 general fund expenditures for student financial aid compared to its projected fiscal year 2004-2005 general fund expenditures for student financial aid, and its projected academic year 2005-2006 resident undergraduate tuition and required fee changes from academic year 2004-2005, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2005.

Sec. 437. It is the intent of the legislature that funds in a Michigan public school employee retirement system (MPERS) stabilization subaccount be used for fiscal year 2005-2006 to provide at least a \$3,960,000.00 subsidy of the payroll contribution rate for the 7 state universities that have employees in the MPERS system.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2005-2006 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2005. A university shall report any revisions for any semester of the reported academic year 2005-2006 tuition and fee charges to HEIDI within 15 days of being adopted.



Sec. 450. The amount allocated under part 1 for per-student floor funding is equal to \$3,650.00 per 2003-2004 fiscal-year-equated student at each university, except for Grand Valley State University due to limited state resources. The number of 2003-2004 fiscal-year-equated students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Sec. 461. From the amount appropriated in part 1 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 462. The funds appropriated in part 1 for state university operations are in addition to any funds appropriated for state university operations for state fiscal year 2004-2005 under section 701(3) of 2005 PA 11, which shall be recognized by the state universities as revenue in their institutional 2005-2006 fiscal years.

#### **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**

Sec. 501. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program, that is intended to increase the pool of minority candidates pursuing faculty teaching careers in postsecondary education. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 502. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce schoolchildren underrepresented in postsecondary education to the potential of a college education.

(2) Individual program plans of each university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program shall be administered by each university in a manner prescribed by the Michigan department of labor and economic growth.

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically and economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically and economically disadvantaged students who transfer from community colleges into baccalaureate programs.

(2) The grants shall be made under this program to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Sec. 505. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of underrepresented minority instructors in the classroom and provide role models for underrepresented minority students.

(2) The program shall be administered by the Michigan department of labor and economic growth.

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of minority students, especially males, who enroll in and complete K-12 teacher education programs at the baccalaureate level.

(2) The program shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of labor and economic growth.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2006 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503

and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

#### **STUDENT PERFORMANCE REPORTING**

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

#### **GENERAL REPORTS AND AUDITS**

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all public universities and may perform audits of selected public universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2006.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not paying the institution's resident tuition rate.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.

(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

(4) "Distance learning instruction" as used in subsection (2) means instruction that occurs in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

Sec. 701a. (1) Pursuant to section 701(2)(e), the following degree programs may be established:

(a) Bachelors

Eastern Michigan University Creative Writing, B.A./B.S.

Grand Valley State University Athletic Training Major, B.S.

Lake Superior State University Spanish, B.A.

Michigan Technological University Audio Production and Technology, B.S.

Michigan Technological University Cheminformatics, B.S.

Michigan Technological University Communication and Culture Studies with Concentrations in Communication in Contemporary Culture; Communication in Human Interactions and Global Contexts; Communication Media.

Michigan Technological University Pharmaceutical Chemistry, B.S.

Michigan Technological University Sound Design, B.A.

Michigan Technological University Theatre and Entertainment Technology, B.A.

Michigan Technological University Theatre and Entertainment Technology, B.S.

Michigan Technological University Wildlife Ecology and Management, B.S.

University of Michigan-Ann Arbor Earth Systems Science and Engineering, B.S.

University of Michigan-Ann Arbor Neuroscience Concentration, B.S.

University of Michigan-Flint Music (Performance), B.S.

(b) Masters

- Eastern Michigan University Earth Science Education, M.S.
- Eastern Michigan University Orthotics and Prosthetics, M.S.
- Saginaw Valley State University Occupational Therapy Program, M.A.
- University of Michigan-Ann Arbor Global Automotive and Manufacturing Engineering, M.E.
- University of Michigan-Ann Arbor Space Engineering, M. Eng.
- University of Michigan-Dearborn Masters of Public Policy, Masters.
- University of Michigan-Flint Computer and Information Systems, M.S.
- University of Michigan-Flint Master of Arts in Social Sciences, M.A.
- Western Michigan University Master of Science in Civil Engineering, M.S.E.
- Western Michigan University Nursing, M.S.N.

(c) Doctorate

- Michigan Technological University Industrial Heritage and Archeology, Ph.D.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for future fiscal years, the presidents council shall also provide a listing of degree programs that will no longer be offered in subsequent academic years.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this article shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution’s report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2006 as the auditor general considers necessary.

Sec. 709. An institution receiving funds under this bill and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

ARTICLE 14  
DEPARTMENT OF NATURAL RESOURCES  
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2006, 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 .....	2,073.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 272,943,100</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		3,691,200
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 269,251,900</b>
Federal revenues:		
Total federal revenues .....		38,990,200
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		2,090,100
Total other state restricted revenues .....		202,578,400
State general fund/general purpose .....		\$ 25,593,200
<b>FUND SOURCE SUMMARY</b>		
Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	2,073.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 272,943,100</b>

	For Fiscal Year Ending Sept. 30, 2006
Interdepartmental grant revenues:	
IDG, engineering services to work orders .....	\$ 1,566,600
IDG, land acquisition services to work orders .....	706,500
IDG, MacMullan conference center revenue .....	1,418,100
Total interdepartmental grants and intradepartmental transfers .....	3,691,200
ADJUSTED GROSS APPROPRIATION .....	\$ 269,251,900
Federal revenues:	
DAG, federal .....	7,166,000
DHS-USCG, federal .....	2,689,600
DOC, federal .....	67,000
DOE, federal .....	1,000
DOI, federal .....	23,545,000
DOI, oil and gas royalty revenue .....	150,000
DOI, timber revenue .....	3,300,000
DOT, federal .....	1,800,000
EPA, federal .....	271,600
Total federal revenues .....	38,990,200
Special revenue funds:	
Private funds .....	1,590,100
Private - gift revenues .....	500,000
Total private revenues .....	2,090,100
Aircraft fees .....	245,300
Air photo fees - geographic information system .....	43,500
Cervidae licensing and inspection fees .....	95,700
Clean Michigan initiative fund .....	54,100
Commercial forest fund .....	48,300
Forest development fund .....	31,922,100
Forestland user charges .....	317,300
Forest recreation fund .....	1,386,900
Game and fish protection fund .....	62,314,600
Game and fish protection fund - deer habitat reserve .....	2,508,900
Game and fish protection fund - fisheries settlement .....	966,400
Game and fish protection fund - turkey permit fees .....	1,748,000
Game and fish protection fund - waterfowl fees .....	99,900
Game and fish - wildlife resource protection fund .....	1,611,800
Game and fish protection fund - youth hunting and fishing education and outreach fund .....	26,800
Harbor development fund .....	287,400
Land exchange facilitation fund .....	5,919,300
Marine safety fund .....	4,714,300
Michigan civilian conservation corps endowment fund .....	1,139,500
Michigan natural resources trust fund .....	3,292,800
Michigan state parks endowment fund .....	12,375,100
Michigan state waterways fund .....	15,906,800
Nongame wildlife fund .....	685,300
Off-road vehicle trail improvement fund .....	4,210,500
Park improvement fund .....	36,957,800
Publications revenue .....	3,600
Recreation improvement fund .....	1,444,500
Safety education fund .....	206,100
Shop fees .....	63,700
Snowmobile registration fee revenue .....	2,257,500
Snowmobile trail improvement fund .....	9,724,600
Total other state restricted revenues .....	202,578,400
State general fund/general purpose .....	\$ 25,593,200
<b>Sec. 102. EXECUTIVE (RESOURCE CONSERVATION)</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	45.6
Commission (including travel expense—per diem) .....	\$ 91,300

	For Fiscal Year Ending Sept. 30, 2006
Unclassified salaries—6.0 FTE positions .....	\$ 416,500
Education and outreach—33.6 FTE positions .....	3,643,900
Executive direction—12.0 FTE positions .....	1,935,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 6,087,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MacMullan conference center revenue .....	22,800
Special revenue funds:	
Aircraft fees .....	500
Air photo fees - geographic information system .....	11,300
Forest development fund .....	249,400
Forestland user charges .....	6,400
Forest recreation fund .....	26,600
Game and fish protection fund .....	1,741,800
Game and fish protection fund - deer habitat reserve .....	36,600
Game and fish protection fund - fisheries settlement .....	10,100
Game and fish protection fund - turkey permit fees .....	20,700
Game and fish protection fund - waterfowl fees .....	900
Game and fish - wildlife resource protection fund .....	20,400
Game and fish protection fund - youth hunting and fishing education and outreach fund .....	26,800
Harbor development fund .....	600
Land exchange facilitation fund .....	40,000
Marine safety fund .....	28,400
Michigan civilian conservation corps endowment fund .....	2,600
Michigan natural resources trust fund .....	31,400
Michigan state parks endowment fund .....	42,100
Michigan state waterways fund .....	296,000
Nongame wildlife fund .....	12,600
Off-road vehicle trail improvement fund .....	2,900
Park improvement fund .....	2,370,600
Publications revenue .....	500
Recreation improvement fund .....	12,700
Snowmobile registration fee revenue .....	4,400
Snowmobile trail improvement fund .....	34,700
State general fund/general purpose .....	\$ 1,033,300
<b>Sec. 103. ADMINISTRATIVE SERVICES (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions .....	81.0
Budget and support services—10.0 FTE positions .....	\$ 972,400
Financial services—27.0 FTE positions .....	2,560,400
Grants management—15.0 FTE positions .....	1,274,200
Human resources—21.0 FTE positions .....	2,091,500
Human resources optimization user charges .....	88,600
Internal audit—8.0 FTE positions .....	807,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 7,794,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MacMullan conference center revenue .....	14,200
Federal revenues:	
DOI, federal .....	343,500
Special revenue funds:	
Aircraft fees .....	3,100
Air photo fees - geographic information system .....	700
Clean Michigan initiative fund .....	54,100
Commercial forest fund .....	1,800
Forest development fund .....	670,000
Forestland user charges .....	1,000

	For Fiscal Year Ending Sept. 30, 2006
Forest recreation fund .....	\$ 57,500
Game and fish protection fund .....	1,534,100
Game and fish protection fund - deer habitat reserve .....	49,700
Game and fish protection fund - fisheries settlement .....	25,700
Game and fish protection fund - turkey permit fees .....	39,200
Game and fish protection fund - waterfowl fees.....	800
Game and fish - wildlife resource protection fund .....	41,500
Harbor development fund.....	11,300
Land exchange facilitation fund .....	32,000
Marine safety fund.....	183,300
Michigan civilian conservation corps endowment fund .....	49,500
Michigan natural resources trust fund .....	883,100
Michigan state parks endowment fund .....	119,900
Michigan state waterways fund .....	480,400
Nongame wildlife fund .....	22,100
Off-road vehicle trail improvement fund.....	66,300
Park improvement fund.....	1,675,800
Publications revenue .....	3,100
Recreation improvement fund .....	16,700
Shop fees .....	400
Snowmobile registration fee revenue .....	136,300
Snowmobile trail improvement fund .....	188,700
State general fund/general purpose .....	\$ 1,088,800
<b>Sec. 104. LAND AND FACILITIES (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions .....	134.2
Land and facilities—134.2 FTE positions .....	\$ 19,609,600
<b>GROSS APPROPRIATION .....</b>	<b>\$ 19,609,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, engineering services to work orders .....	1,566,600
IDG, land acquisition services to work orders .....	706,500
IDG, MacMullan conference center revenue .....	1,346,700
Federal revenues:	
Special revenue funds:	
Aircraft fees .....	122,300
Forest development fund.....	1,631,200
Forestland user charges .....	12,700
Forest recreation fund .....	10,400
Game and fish protection fund.....	7,245,500
Land exchange facilitation fund .....	5,731,200
Marine safety fund.....	91,200
Michigan natural resources trust fund .....	60,600
Michigan state waterways fund .....	299,300
Off-road vehicle trail improvement fund.....	22,700
Park improvement fund.....	509,700
Snowmobile trail improvement fund .....	13,900
State general fund/general purpose .....	\$ 239,100
<b>Sec. 105. DEPARTMENTAL OPERATION SUPPORT (RESOURCE CONSERVATION)</b>	
Building occupancy charges.....	\$ 2,071,600
Rent - privately owned property.....	485,600
Gifts and bequests.....	500,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 3,057,200</b>
Appropriated from:	
Special revenue funds:	
Private - gift revenues .....	500,000

	For Fiscal Year Ending Sept. 30, 2006
Forest development fund.....	\$ 957,300
Forest recreation fund.....	20,400
Game and fish protection fund.....	475,900
Game and fish protection fund - deer habitat reserve.....	20,800
Game and fish protection fund - fisheries settlement.....	6,700
Game and fish protection fund - turkey permit fees.....	25,000
Game and fish - wildlife resource protection fund.....	7,500
Marine safety fund.....	46,100
Michigan natural resources trust fund.....	66,700
Michigan state parks endowment fund.....	213,100
Michigan state waterways fund.....	237,600
Park improvement fund.....	316,700
Snowmobile trail improvement fund.....	21,600
State general fund/general purpose.....	\$ 141,800
<b>Sec. 106. WILDLIFE MANAGEMENT (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions.....	192.0
Wildlife administration—14.5 FTE positions.....	\$ 1,606,200
Wildlife management—168.5 FTE positions.....	24,567,800
Natural resources heritage—9.0 FTE positions.....	1,366,700
State game and wildlife area maintenance.....	500,000
GROSS APPROPRIATION.....	\$ 28,040,700
Appropriated from:	
Federal revenues:	
DAG, federal.....	97,900
DOI, federal.....	11,112,200
EPA, federal.....	1,000
Special revenue funds:	
Private funds.....	108,500
Cervidae licensing and inspection fees.....	95,700
Game and fish protection fund.....	10,085,000
Game and fish protection fund - deer habitat reserve.....	2,299,500
Game and fish protection fund - turkey permit fees.....	1,580,400
Game and fish protection fund - waterfowl fees.....	98,200
Forest development fund.....	60,000
Nongame wildlife fund.....	611,200
State general fund/general purpose.....	\$ 1,891,100
<b>Sec. 107. FISHERIES MANAGEMENT (RESOURCE CONSERVATION)</b>	
Full-time equated classified positions.....	225.0
Aquatic resource mitigation—3.0 FTE positions.....	\$ 890,900
Fisheries administration—10.0 FTE positions.....	1,055,200
Fish production—62.0 FTE positions.....	8,126,100
Fisheries resource management—150.0 FTE positions.....	17,232,000
GROSS APPROPRIATION.....	\$ 27,304,200
Appropriated from:	
Federal revenues:	
DOC, federal.....	50,300
DOE, federal.....	1,000
DOI, federal.....	8,231,100
EPA, federal.....	155,800
Special revenue funds:	
Private funds.....	109,700
Game and fish protection fund.....	17,866,400
Game and fish protection fund - fisheries settlement.....	889,900
State general fund/general purpose.....	\$ 0

For Fiscal Year  
Ending Sept. 30,  
2006

**Sec. 108. PARKS AND RECREATION (RESOURCE CONSERVATION, THRIVING ECONOMY)**

Full-time equated classified positions .....	785.7	
Michigan civilian conservation corps—3.0 FTE positions .....		\$ 1,058,800
Recreational boating—201.5 FTE positions .....		13,680,500
State parks—581.2 FTE positions .....		41,289,500
State parks improvement revenue bonds - debt service .....		1,107,900
GROSS APPROPRIATION .....		\$ 57,136,700
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
EPA, federal .....		113,800
Special revenue funds:		
Private funds .....		344,200
Harbor development fund .....		270,000
Michigan civilian conservation corps endowment fund .....		1,058,800
Michigan state parks endowment fund .....		11,426,200
Michigan state waterways fund .....		13,410,500
Off-road vehicle trail improvement fund .....		230,100
Park improvement fund .....		30,283,100
State general fund/general purpose .....		\$ 0

**Sec. 109. FOREST, MINERAL, AND FIRE MANAGEMENT (RESOURCE CONSERVATION, THRIVING ECONOMY)**

Full-time equated classified positions .....	342.5	
Adopt-a-forest program .....		\$ 25,000
Cooperative resource programs—10.5 FTE positions .....		2,573,200
Forest and timber treatments—121.0 FTE positions .....		15,738,800
Forest fire equipment .....		1,700,000
Forest fire protection—133.5 FTE positions .....		10,421,400
Forest management initiatives—9.2 FTE positions .....		889,000
Forest management planning—18.0 FTE positions .....		5,453,300
Forest recreation and trails—33.0 FTE positions .....		4,872,400
Minerals management—17.3 FTE positions .....		2,081,900
GROSS APPROPRIATION .....		\$ 43,755,000
Appropriated from:		
Federal revenues:		
DAG, federal .....		2,243,100
DOI, federal .....		2,000
EPA, federal .....		1,000
Special revenue funds:		
Private funds .....		877,700
Aircraft fees .....		119,400
Air photo fees - geographic information system .....		26,300
Commercial forest fund .....		45,000
Forest development fund .....		26,610,000
Forestland user charges .....		284,400
Forest recreation fund .....		1,146,600
Game and fish protection fund .....		1,605,800
Michigan natural resources trust fund .....		1,079,700
Michigan state parks endowment fund .....		532,500
Michigan state waterways fund .....		364,600
Off-road vehicle trail improvement fund .....		389,500
Recreation improvement fund .....		305,200
Shop fees .....		63,300
Snowmobile trail improvement fund .....		2,093,500
State general fund/general purpose .....		\$ 5,965,400



For Fiscal Year  
Ending Sept. 30,  
2006

**Sec. 110. LAW ENFORCEMENT (RESOURCE CONSERVATION)**

Full-time equated classified positions .....	267.5	
General law enforcement—257.5 FTE positions .....		\$ 27,111,100
Wildlife resource protection—10.0 FTE positions .....		1,588,300
<b>GROSS APPROPRIATION</b> .....		<b>\$ 28,699,400</b>

Appropriated from:

Federal revenues:

DHS-USCG, federal.....	2,689,600
DOC, federal.....	16,700
DOI, federal.....	1,189,300

Special revenue funds:

Forest recreation fund .....	55,400
Game and fish protection fund.....	17,474,600
Game and fish - wildlife resource protection fund .....	1,477,500
Marine safety fund.....	1,460,100
Off-road vehicle trail improvement fund.....	1,141,600
Park improvement fund.....	55,400
Safety education fund .....	56,100
Snowmobile registration fee revenue .....	941,100
State general fund/general purpose .....	\$ 2,142,000

**Sec. 111. PAYMENTS IN LIEU OF TAXES (EFFECTIVE GOVERNMENT)**

Swamp and tax reverted lands.....	\$ 7,071,500
Purchased lands .....	5,050,000
Commercial forest reserves.....	2,662,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 14,784,100</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 .....	\$ 12,084,100

**Sec. 112. GRANTS (RESOURCE CONSERVATION, EFFECTIVE GOVERNMENT)**

Federal - clean vessel act grants .....	\$ 100,000
Federal - forest stewardship grants.....	625,000
Federal - land and water conservation fund payments.....	2,566,900
Federal - rural community fire protection .....	300,000
Federal - urban forestry grants.....	4,000,000
Grants to communities - federal oil, gas, and timber payments.....	3,450,000
National recreational trails.....	1,850,000
Game and nongame wildlife fund grants.....	10,000
Grant to counties-marine safety .....	2,805,000
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
Snowmobile law enforcement grants.....	1,142,000
Snowmobile local grants program.....	7,314,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 27,970,300</b>

Appropriated from:

Federal revenues:

DAG, federal.....	4,825,000
DOI, federal.....	2,666,900
DOI, oil and gas royalty revenue .....	150,000
DOI, timber revenue .....	3,300,000
DOT, federal .....	1,800,000

For Fiscal Year  
Ending Sept. 30,  
2006

Special revenue funds:	
Private funds .....	\$ 150,000
Game and fish protection fund .....	200,000
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
<b>Sec. 113. INFORMATION TECHNOLOGY (RESOURCE CONSERVATION)</b>	
Information technology services and projects .....	\$ 8,704,200
<b>GROSS APPROPRIATION .....</b>	<b>\$ 8,704,200</b>

Appropriated from:

Interdepartmental grant revenues:

IDG, MacMullan conference center revenue .....	34,400
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Special revenue funds:

Air photo fees - geographic information system .....	5,200
Commercial forest fund .....	1,500
Forest development fund .....	1,744,200
Forestland user charges .....	12,800
Forest recreation fund .....	70,000
Game and fish protection fund .....	2,045,500
Game and fish protection fund - deer habitat reserve .....	102,300
Game and fish protection fund - fisheries settlement .....	34,000
Game and fish protection fund - turkey permit fees .....	82,700
Game and fish - wildlife resource protection fund .....	64,900
Harbor development fund .....	5,500
Land exchange facilitation fund .....	116,100
Marine safety fund .....	100,200
Michigan civilian conservation corps endowment fund .....	28,600
Michigan natural resources trust fund .....	651,300
Michigan state parks endowment fund .....	41,300
Michigan state waterways fund .....	678,400
Nongame wildlife fund .....	29,400
Park improvement fund .....	1,746,500
Recreation improvement fund .....	9,900
Snowmobile registration fee revenue .....	33,700
Snowmobile trail improvement fund .....	58,200
State general fund/general purpose .....	\$ 1,007,600

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$228,171,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$28,662,500.00. 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 .....	5,050,000
Swamp and tax reverted lands .....	7,071,500

GRANTS

Grants to counties - marine safety .....	2,805,000
Off-road vehicle safety training grants .....	150,000

Off-road vehicle trail improvement grants .....	2,357,400
Recreation improvement fund grants.....	110,000
Snowmobile law enforcement grants.....	1,142,000
Snowmobile local grants program.....	7,314,000
TOTAL.....	\$ 28,662,500

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

Sec. 203. As used in this article:

- (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.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

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

Sec. 209. 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, 2005 and September 30, 2006.

Sec. 211. (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, 2006:

- (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, 2005.

(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, 2006.

Sec. 212. 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 .....	\$ 293,200
Legislative auditor general .....	21,400
Attorney general .....	704,600
Department of management and budget .....	220,900
Department of treasury .....	4,200

Sec. 213. (1) Before January 16, 2006, the department, in cooperation with the Michigan state waterways commission, shall report to the state budget director, the senate and house fiscal agencies, and the senate and house of representatives appropriations subcommittees on natural resources detailing operations of the Michigan state waterways commission for the preceding 1-year period.

(2) The department, in cooperation with the Michigan state waterways commission, shall determine which projects should be acquired or developed with money from the state waterways fund or harbor development fund and shall submit to the state budget director, the senate and house fiscal agencies, and the senate and house of representatives appropriations subcommittees on natural resources in January 2006 a list of those projects, compiled in order of priority. The list shall be accompanied by estimates of total costs for the proposed projects.

(3) The department, in cooperation with the Michigan state waterways commission, shall supply with each list under subsection (2) a statement of the guidelines used in listing and assigning the priority of these projects.

Sec. 214. The department shall develop a plan for allocating restricted funds among department administrative support and regulatory activities. This plan shall be submitted to the house and senate appropriations subcommittees on natural resources by January 30, 2006. This plan shall include a cost allocation plan for financial services support, office space rent and building occupancy charges, support division service for information systems and technology, and a methodology to use information generated through activity reports that identifies the percentage of employee time spent on restricted fund activities.

Sec. 215. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection fund, \$6,000,000.00 for the fiscal year ending September 30, 2006.

Sec. 216. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 217. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 218. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

(c) The dates of each travel occurrence.

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

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

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

Sec. 219. 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.

Sec. 220. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

#### **ADMINISTRATIVE SERVICES**

Sec. 401. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2006, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 402. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2006, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 403. The department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director at a rate which allows the department to recover its costs for providing these services.

Sec. 404. The department shall prominently display in a prominent place in the fishing guide provided to each licensed fisher and paid for from the funds appropriated in part 1, the website for the department of community health. In addition, the fishing guide shall include information on alternative sources where interested parties without Internet access may find information on fish advisories issued by the department of community health.

Sec. 405. The department shall report quarterly on all land transactions completed by the department in the previous fiscal quarter. For each land transaction, the report shall include, but not be limited to, the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and the type of transaction, such as purchase, public auction, transfer, exchange, or conveyance. The report shall be submitted to the senate and house appropriations subcommittees on natural resources within 21 days after the end of each fiscal quarter.

Sec. 406. As a condition of expenditure of appropriations under part 1, the department shall make available for sale any turkey hunting licenses not allotted through the annual lottery sale process before the beginning day of the turkey hunting season.

#### **WILDLIFE MANAGEMENT**

Sec. 501. Of the funds appropriated in part 1, the department shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves or coyotes under the animal industry act, 1988 PA 466, MCL 287.701 to 287.745.

Sec. 502. By September 30, 2006, the department shall submit to the state budget director, the chairs of the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a report on the population of bobcats in the Lower Peninsula of the state and the impact of bobcat harvest on the population. The department and the commission are urged to prohibit the trapping of bobcats in the Lower Peninsula until the report is released.

Sec. 503. From the funds appropriated in part 1, the department shall consult with other states, provinces, and relevant nonprofit organizations in the Great Lakes basin and create a regional action plan to manage the cormorant, including the potential for lethal control. By December 31, 2005, the department shall submit the action plan to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies.

#### **FISHERIES MANAGEMENT**

Sec. 601. As a condition of expenditure of fisheries management appropriations under part 1, the department shall not impede the certification process for water control structures on Michigan waterways. The department shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under the federal water pollution control act, 33 USC 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

Sec. 602. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division of the department shall develop priority and cost estimates for all recommended projects.

#### **PARKS AND RECREATION**

Sec. 701. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed \$10,000,000.00 for the fiscal year ending September 30, 2006.

Sec. 702. (1) The department shall prepare detailed reports for construction projects in state parks that will involve campsite or campground closures. These reports shall include expected costs, impacts on recreation opportunities, impacts on state park revenues, and the expected impact on state park users. The department shall also prepare reports on average monthly campground occupancy rates for every state park during the previous summer season. The department shall provide reports described in this subsection to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies not later than April 1, 2006.

(2) The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities at any state park or recreation area.

Sec. 703. From the funds appropriated in part 1, the department shall maintain an appropriate number of defibrillators in state parks. State parks shall accept donations of defibrillators.

Sec. 704. By September 30, 2006, the department shall report to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies any misuse of complimentary or discounted day passes at state recreational facilities during the 2005-2006 fiscal year.

Sec. 705. The department shall not alter or halt operations of the ski hill or demolish buildings related to the ski hill, the assistant manager residence, the 3-unit apartment building, or the carpenter's shop and garage in Porcupine Mountains wilderness state park. The department shall collaborate with travel Michigan for the marketing and promotion of the ski hill.

Sec. 706. By July 1, 2006, the department shall submit to the state budget director, the chairs of the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a report on the viability of adopting a corporate sponsorship program in selected areas within state parks, including details of such a program. The department shall work with the state park advisory committee in preparing the report.

#### **FOREST, MINERAL, AND FIRE MANAGEMENT**

Sec. 801. The appropriation for the adopt-a-forest program in part 1 shall be used to cover the cost of disposing of waste material collected from state forestlands.

Sec. 802. In addition to the funds appropriated in part 1, \$350,000.00 is appropriated to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations.

Sec. 803. As a condition of expenditure of appropriations in part 1 from forest development funds, on October 15, 2005 the department shall provide \$1,000,000.00 from cooperative resources programs as an interdepartmental grant to the department of agriculture for the cooperative resources management initiative program for the purposes of supporting forestry programs in local conservation districts.

Sec. 804. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe appropriate treatment on not less than 63,000 acres at the current average rate of 12.5 to 13 cords per acre, and put those cords up for sale in 2006, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2004 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriation subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues.

Sec. 805. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for additional foresters to mark timber, pursuant to section 804.

Sec. 806. From the funds appropriated in part 1, the department shall develop a motorized snowmobile trail connecting Gaylord and Cheboygan.

Sec. 807. The department shall submit to the senate and house standing committees on natural resources and the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies by May 1, 2006 a report that provides a comprehensive plan to expand current off-road vehicle trail mileage by at least 25% over the next 4 years.

**LAW ENFORCEMENT**

Sec. 901. The appropriation in part 1 for snowmobile law enforcement grants shall be used to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee fund created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department.

**GRANTS**

Sec. 1101. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2005, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2005.

Sec. 1102. The use of federal funding received by the state from the land and water conservation fund and appropriated in part 1 shall be coordinated with state grants to local units of government from the Michigan natural resources trust fund. The coordination of the 2 funding sources shall be conducted in a manner that minimizes the total matching funds required from local units of government for local land acquisition or recreational development projects.

ARTICLE 19  
MISCELLANEOUS  
PART 1

Sec. 501. As used in this act:

- (a) "Effective government" means government is effective, efficient, and accountable.
- (b) "Health" means people are healthy.
- (c) "Kids succeeding" means kids are succeeding in school.
- (d) "Mobility" means people and goods move around the state quickly and efficiently.
- (e) "Prepared for jobs" means people are prepared for jobs and the new economy.
- (f) "Resource conservation" means our natural resources are conserved and protected.
- (g) "Safety" means people are safe where they live, work, and play.
- (h) "Thriving economy" means the economy is thriving and people are working.
- (i) "Vulnerable" means the most vulnerable live free from harm and as self-sufficiently as possible.

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

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies for the fiscal year ending September 30, 2006; to supplement and adjust certain appropriations for the fiscal year ending September 30, 2005; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

Scott Hummel  
John Pastor  
Gretchen Whitmer  
Conferees for the House

Shirley Johnson  
Tony Stamas  
Michael Prusi  
Conferees for the Senate

The question being on the adoption of the conference report,

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

**Roll Call No. 433**

**Yeas—27**

Allen	Cropsey	Jacobs	Schauer
Barcia	Garcia	Jelinek	Sikkema
Bernero	George	Johnson	Stamas
Birkholz	Gilbert	Kuipers	Switalski
Bishop	Goschka	McManus	Toy
Brater	Hammerstrom	Prusi	Van Woerkom
Brown	Hardiman	Sanborn	

**Nays—11**

Basham  
Cassis  
Cherry

Clark-Coleman  
Clarke  
Emerson

Leland  
Olshove  
Patterson

Scott  
Thomas

**Excused—0****Not Voting—0**

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**Protests**

Senators Cherry, Cassis and Thomas, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on House Bill No. 4831 and moved that the statements they made during the discussion of the conference report be printed as their reasons for voting “no.”

The motion prevailed.

Senator Cherry’s statement is as follows:

I rise to explain to my colleagues that I will be voting “no” on House Bill No. 4831. There are a couple of reasons why I am. I really don’t wish to vote “no,” but there are some things in this budget that I have some major objections to, although there are some very good things. I want to thank the chair of the Community Health budget for the work that he did on the Community Health budget because it is much better than it was when we started out. I appreciate that.

I do have some concerns, however, and I’m opposed to the higher education budget, and I did not sign that conference report because I have concerns about the allocations of funds to the various universities. As you all know, universities have been cut significantly over the past two to three years, and it’s nice to see this time that they are holding their own. But when we have extra money, there are a few universities who get quite a bit, and even those universities over the past two years have not had to suffer the kinds of cuts that others have. And yet, universities, and the one that I, of course, use as an example because it’s the one closest to me and the one that I know about the most, the University of Michigan-Flint, which is a small university that works hard to serve the people of Genesee County, along with others in the state, which has invested much in the city of Flint and has helped the city of Flint through times when they’ve had an emergency manager. That university is getting a 0.2 percent increase in that budget. They’ve actually taken cuts, so I really believe that we need to really look at how we distribute the dollars that are additional dollars for universities.

I have major objections to the House formula for the distribution of dollars and so I’m opposed to that bill. I also, in general, am opposed to the whole minibuss concept of a bill because it puts us in this kind of position. It negates the work that the higher education committee did and my vote on the Higher Education Subcommittee because the minibuss conference committee also met and approved the whole thing as a whole. It, I think, diminishes our role as legislators because it stops us from having individual input on each of these budget bills. I think that is something we should not give away lightly.

So, Mr. President, I’m voting “no” on this bill. I hope members also vote “no” on this bill.

Senator Cassis’ statement is as follows:

I rise reluctantly to record why I am voting “no” on this conference report on this mini-omnibus bill—voting “no” on principle. I think each budget should stand on its own merit, and I agree with the Senator from Genesee County that lumping seven budgets into one vote dilutes and diminishes our voice as Senators on behalf of the constituents whom we serve.

Having said that, my “no” vote particularly centers on three budgets: Community Health with the increase there; Corrections and that increase; and the DNR budget that reduces local PILT funding and also decreases fire and protection grants that affects the health and safety, which has some basic government function.



Importantly, new revenues have been realized in this state, new tax revenue, and they are being used, in my opinion, to expand government spending at a time of economic crisis. There are other options. One of those options would be for those dollars to be devoted, at least a significant portion of those dollars, to tax relief on behalf of getting people in our state back to work.

Senator Thomas' statement is as follows:

I rise reluctantly to oppose the conference report, partially joining with my colleague from Genesee County and my colleague from Novi in that I don't believe that an omnibus budget is in the best interest of the Legislature in going forward, the best interest of the Senate. And I would hope that in future budget years we could go back to individual budgets. Specifically, I'm concerned, actually, with one budget that has dramatically changed itself, but continues to vex me as a representative of Wayne County and a large Medicaid population.

The Department of Community Health budget really is the one budget that I had a specific objection to, particularly for the co-pays and personal responsibility provisions, which, I think, on surface sound fine, but I think they do reflect a bias against the poor and elderly and those folks who are our Medicaid recipients.

I think if we are really serious about promoting healthier living and healthier lifestyles—and certainly, I'm one who has done that by losing 150 pounds in life—I think it would have been a better way to promote healthy living through the Michigan Healthy Living fund. Unfortunately, this budget cuts that fund by \$4 million. So by targeting Medicaid recipients and not saying that everybody needs to sign statements, that everybody needs to live healthier, I think we're again showing an unfair bias against the poor and elderly.

As a representative of Wayne County, which has more than a third of the state's Medicaid population, I am troubled by the Medicaid cuts, the 3 percent Medicaid cuts that are there. And, while those are certainly not the cuts that were originally proposed by the Granholm administration and much, much better than those cuts proposed by the Michigan House, when you couple that with the fact that the Legislature through executive orders already cut another 4-5 percent from these Medicaid providers, that is a substantial, substantial cut. I view it as a broken promise to these important safety-net providers.

Also by eliminating the look-back period for eligibility, I think you're guaranteeing that hospitals are going to submit faulty paperwork. They're just going to submit paperwork, knowing that it's going to come back again and they might qualify someone or they might not. We're going to lengthen the process, thereby I think really, really creating a greater burden of uncompensated, unpaid-for care by these facilities.

When someone presents at a hospital, they're still going to be required by law to carry out their medical mission. But now without that look-back period determining eligibility, there's no incentive for them to continue that process, and so paperwork will be sloppy, claims won't get filed, and eligible people who should have had some Medicaid assistance probably will just be provided uncompensated care.

In a community like mine where the primary health care providers have margins at about .02 percent where the typical hospital margin is between 3 and 4 percent, that simply does not afford them an opportunity to compete going forward into the future. And if we are really serious about building our health care safety network, we need to make sure that our hospital providers, our health care community, can continue to make investments. Continuing to provide uncompensated care by shortsighted decisions like this, I think, will make it very difficult going forward.

So, unfortunately, I will vote against this provision, but I hope that in the future we can go back to the original process. And, again, I do want to commend the chair of the Subcommittee on Community Health. The Senate clearly was much more thoughtful in this process. Unfortunately, because I represent a large Medicaid population, this still does harm to my constituents.

Senators McManus, Cropsey, Van Woerkom, George, Prusi, Goschka, Switalski, and Johnson asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator McManus' statement is as follows:

I rise today in support of the restored funding for the Michigan Youth Correctional Facility in the Corrections portion of House Bill No. 4831. I want to thank my colleagues for coming together to find money that would spare the Michigan Youth Correctional Facility. I know that you share my concern for the people of Lake County and that you understand how important this facility is for the economy of Lake County.

As I was saying with regards to the Corrections portion of this minibus, I appreciate the support that I have gotten—the issue being Baldwin and Lake County, one of the most economically-challenged communities outside of Detroit in the state of Michigan.

We were able to find nearly \$18 million in unnecessary spending on the part of the Department of Corrections, more than enough to cover costs of keeping this facility open. Those particular items were—the things that we suggest to cut—\$3.5 million in funding for a defunct local jail program, \$3.5 million in dry-cleaning contracts for uniforms, even though uniforms are no longer dry-cleaned, and \$10.8 million in savings by using new technology to improve security and reduce costs.

Now, the Governor has a very important choice to make. She has the opportunity to do the right thing for the people of Lake County. If the Governor is serious about saving money and keeping jobs in Michigan, she will not veto the funding for the Michigan Youth Correctional Facility in Baldwin. I hope that she chooses to support the hardworking families in Lake County. They deserve it and they would appreciate it.

Senator Cropsey's statement is as follows:

When it comes to this conference report, there are some parts of this conference report I don't like; parts of the higher education budget I don't like. I think there are some parts of that that should have been done more equitably. However, when I take a look at the whole budget—and this has not been an easy budget, I was in charge of the Corrections part of this budget and I would just encourage our Governor to seriously take a look at this part of the budget. We are spending \$1.78 billion in the Department of Corrections. That's a lot of money. At the same time, when you take an overall look at the total budget of \$39 billion or \$40 billion, this is less than five percent of the total overall budget in the state of Michigan.

What we've been able to do with this money in the Department of Corrections for this coming year is we've been able to maintain the programming that we believe is necessary to reduce recidivism. If we can reduce recidivism, we reduce victimization and that is good for all the citizens of Michigan. The best right that any person has in this state is not to be the victim of a crime to start with. Now this is very important when we take a look at this budget.

The Governor has stated that she wants to close a prison in this state. She has stated that she wants to close the Baldwin prison. I challenge the Governor on that, though, because in the Department of Corrections, by their own projections, a year from now, we will need 1,300 beds. You don't get that by closing more prisons and more beds.

What we've been able to do in order to keep Baldwin open and hopefully to satisfy this Governor, who seems bent on trying to close this prison, we've taken \$10.8 million in savings from full-year implementation of savings started this year. These are savings that are going to already be there. We are taking \$3.5 million in a defunct jail capacity grant program. This grant program was predicated on going to the local units of government, saying, "You need to expand your jails because we want to re-do sentencing guidelines and have fewer people coming into prisons." The sentencing guidelines proposal has not passed the Legislature, and at this point, it is going to be quite some time before it ever does pass the Legislature.

This program was set out there as a carrot to local units of government to expand their jails to take in these prisoners. That is not going to happen in this next budget year that I can see, so this is money that is already going to be saved. So the \$18.5 million that we're looking at to keep Baldwin open—this is what we've done—we've had the \$10.8 million and the \$3.5 million and we cut Baldwin by \$1 million because when they came in and testified in front of our committee, they said they're willing to renegotiate the contract, and they believe that they could save \$1 million by renegotiation. So it comes down to \$17.5 million.

We are within \$3.8 million of balancing this budget without closing Baldwin. The question is where does that other \$3.8 million come from? Well, lo and behold, the state employer negotiated a contract for close to a \$4 million increase in dry-cleaning costs for prison employees. Now, the dry-cleaning cost is for cotton uniforms. You don't generally dry-clean cotton uniforms; you wash them, and we're talking about just the increase. So we're taking \$3.8 million of this increase and saying that you can keep this prison open; you can keep the jobs in Baldwin; you can keep the jobs in Newberry; you can keep the beds that we need for public safety by the Department of Corrections own admission; or you can veto Baldwin and you can have this fat in the budget that we are able to find and you can keep that fat.

I encourage the Governor to keep public safety No. 1—we need those beds—and to keep the jobs No. 2. Newberry and Baldwin need those jobs. Governor, I implore you to take the savings we have found and keep public safety No. 1 and keep the jobs there that Baldwin and Newberry need.

Senator Van Woerkom's statement is as follows:

I want to join the Senators from the 33rd and 35th Districts in urging you to support this bill and thanking the conference committee in preserving the Baldwin facility. It makes sense on a number of different levels to save this facility. We've heard about the number of jobs of course. And you know if there was a plant that was closing that had 230 jobs that were going to be lost, we would be stumbling over ourselves to try to preserve that plant. This is the same thing that is going on here in Lake County. And to complicate it is, as we have heard before, here is one of the poorest counties in the whole state of Michigan and they are the ones who are going to lose these jobs.

So it is very important for the economy of the state of Michigan to keep this. As we heard from the speaker from the 33rd District, we have found that there are needs yet going into the near future. We have needs within our corrections facilities, and to close down a facility and overcrowd other facilities just, in my mind, doesn't make sense. So I am certainly hopeful that we are able to keep this facility open.

I'm grateful that hard work has gone together to find the money to show that financially we can do it, even in light of the difficult times we have with this budget. Financially we can keep this facility open, and it will do us good on a number of different levels. So I urge your support and thank the committee for their hard work.

Senator George's statement is as follows:

I'm going to be voting for the conference report. I just wanted to touch on a few of the items in this large budget bill.

One of the things that I would have voted against, had we considered it separately, would have been the higher education piece. I voted against that earlier on the Senate floor, and I know that we're trying to move to a more formulaic method for higher education funding. I appreciate the fact that we're attempting to bring some rationale to the higher education side, but I think we have further work to do there that would better recognize some of the unique assets and differences that our higher education institutions have. But despite my discomfiture with that piece, I'm going to vote for the budget as a whole particularly because of the advances we've made on the Community Health side. And I want to commend the chair of the Community Health budget for his hard work there, and, in particular, I'm pleased that we're partially restoring the adult dental benefit.

I was back at one of my hospitals last week working and I learned that we have a patient in one of our Intensive Care units who's been there for nearly a month because of a dental abscess that has spread to his neck. The patient's on a ventilator in Critical Care, and there's a question as to whether the patient will, in fact, survive or not. This is a Medicaid patient where we're going to spend tens of thousands of dollars caring for, and this might have been averted had he had adult dental care. So I'm pleased that we're able to reinstitute it, at least in part—that service.

Also I want to comment on the personal responsibility piece which we've been advocating in this chamber; which I think is very important and is really the key to getting control of our health care costs. We see a big step in that direction with two pieces in this budget. One is a personal responsibility statement that patients will receive—that recipients of Medicaid will receive and be asked to sign; and, then secondly, the modest buy-ins that we're asking our recipients to take up. That would give them some stake in the outcome of their care.

We have further work to do here and I would suggest tying the buy-ins to the behavior, to health behavior, would be a wise next step, but that requires federal waivers. And I understand that there's time involved that's not clear if those would be forthcoming and how long that would take to get them. So I understand that that can't be included in this budget, but I hope it's something we can continue to work on.

So I'll be voting for the bill, and I am particularly pleased with the outcome on the Community Health side and, again, commend those who worked to make this part of the budget be complete.

Senator Prusi's statement is as follows:

Several of our colleagues have risen to reluctantly inform us that they intend to vote against this conference committee report, and I fully understand and sympathize with their rationale. The process that we went through to get here was totally different this year. I think all of us realize that with one single vote we are about to appropriate nearly 40 percent of the state's budget. With one single vote we are going to spend in excess of \$15 billion. Contained within these seven budgets wrapped up into one conference committee report are quite a few good things and quite a few things that all of us have struggled with as we tried to get to a resolution of this budget.

As someone who has sat through the target-setting process through the summer here, there was a lot of give and take and a lot of good compromises made. It is in that spirit that as I weigh out all of the items within this \$15 billion budget bill that I am going to cast a "yes" vote on it, and I would encourage my colleagues to do so as well. But I would also encourage this body, as well as our compatriots across the rotunda, that next year we need to return to a standard budget practice and allow the members of the Legislature to weigh each individual budget and the pros and cons of those budgets in individual votes on all of these budgets because one single vote here to spend that amount of money and that percentage of our state budget, I think, is a difficult pill to swallow and a real disservice to the legislative process, as well as to the public's input on how we spend their money.

Senator Goschka's statement is as follows:

While I also have reservations and concerns regarding the method of wrapping so many budgets into one bill, I do rise in support of the overall bill, and frankly, would support each individual budget. But I do believe each of them should deserve their day in court.

I particularly want to address the higher education portion of this budget. I want to thank Senator Sikkema for his leadership, in particular, in the way he so stood by my own intentions on this bill and the good things that we were able to do, particularly for the bottom-funded schools. Senator Johnson and Senator Hardiman weighed in very heavily as well and were very supportive on the subcommittee, and I, frankly, could not have accomplished what we did without them. Ellen Jeffries from Senate Fiscal also is to be greatly thanked. She is one who keeps confidences with all of us. I know many of us, we talk to her, get her input, and she dutifully gives that information and never shares it.

Also I want to thank Senator Jim Barcia for his leadership as well on the floor funding concept, as he has stood tall on this issue ever since he has been back in this chamber. Floor funding is something I think is very important for the state of Michigan and for our universities. There should be a minimum amount of dollars that a student going to any of our 15 public universities or four-year schools should be able to count on from the state. There never has been a real rhyme or reason to the way we fund our schools. We tried that two years ago. We established the floor at that time of

\$3,890, and unfortunately, because of executive orders, because of the economy, it threw that out of whack. We were far along the process in establishing the floor. As we all know, Wayne State University and Northern Michigan have been held harmless and, in fact, have received minor increases. In fact, every school after the last executive order, every one of them receives increases.

We were able to preserve cooperative extension and the Ag stations. They are kept whole and, in fact, Michigan State in their per-student funding has increased now to \$8,320 per student. Very proud of that. The Michigan Tuition Grant is going to be retained at \$2,000 per student. These are Michigan residents based on need and that Michigan Tuition Grant for those students in our districts who go to private and independent universities is very important. That MTG is vital for them.

I believe strongly that we do need to stand tall for each of our 15 universities. I'm proud of the mission that each of them has. They are great schools. I have no fault with any of them. I think they perform a wonderful service. Obviously, when you have only so many dollars to work with, you do your best. The policy that we wanted to re-establish this year in particular was floor funding. We did it. It should be noted that for those schools who received the major increases because they are at the bottom are still at the bottom. Grand Valley State University, in particular, with a \$4.2 million increase, they go from \$3,072 to \$3,302, and they are still at the bottom. They are more than \$400 per student behind the other schools who are at the floor. So you might say Grand Valley is actually in the basement and still needs to be brought up. These are all students they are representing, regardless of where they go, whether they go to Wayne State University who has the top-funded schools per student or if they go to Grand Valley.

These are students who deserve the very best that we can give them. That's what we have genuinely from our hearts tried to do, and I am proud of our work. I would ask that this body vote for House Bill No. 4831. Send it on through the process. There are many good things in a tough budget year in this entire budget.

Senator Switalski's statement is as follows:

I rise in support of the minibus. I understand that ridership is up and I expect it to pass. But I wanted to inject a note of reality into the discussions regarding the proposed \$17 million in savings in the Corrections budget. This has been offered by some of my colleagues in order to present the Governor with an alternative to closing the Michigan Youth Correctional Facility. But on review, the savings are more imagined than real.

Let me point out the three elements in the savings. There's the jail capacity money and the prison overcrowding money; the money to locals for expansion of jail facilities. And this is described as a defunct program. Now it is true that the administration proposed changes to the sentencing guidelines that neither colleagues on my side of the aisle or the other side found acceptable. That's because we have severe jail overcrowding problems among the locals. The idea of sending more of the state's prisoners to the locals is not acceptable. So that did not pass. That doesn't mean that the programs \$4 million worth offered by the administration to try to gain acceptance of those changes aren't legitimate in themselves; they are much needed. My county has had several releases, early releases of prisoners in the past year involving hundreds of inmates. This is a problem all over the state in terms of local jail capacity. So the administration has offered money which is in this budget to fund jail renovation and expansion to encourage more use of community corrections and other measures to help locals house their prisoners in jails and to keep them from sending us even more prisoners for the state prison system. That is money well spent, and to say that is a defunct program and we can easily cut that, is misguided and misleading to the members.

Second issue: cleaning allowance. This is a negotiated item with the corrections officers. It's about \$4 million, I believe, and if we don't fund that, the department has to pay it anyway, whether the uniforms are cotton or silk, and it's a cleaning allowance. They can take them to the dry-cleaners. It's not that dry-cleaning or washing machine or whatever method you're going to use, we're obligated by contract to pay that money. So to identify that as a savings is to just tell the department, "Go cut \$4 million somewhere out of your budget," because you can't cut that.

Finally, there is the economics for salary increases. I think that's about \$10 million. Now the department is probably one of the largest departments in the state. They've got 17,000 employees. Throughout these budgets, we've funded pension and medical cost increases, but we didn't fund economic increases. Now that falls particularly heavy on the Department of Corrections because they've got 17,000 employees. So if you take away \$10 million, again, they're going to have to cut it out of their budget somewhere. That's not free money that we don't have to pay. So I think on balance, these aren't real savings, and perhaps a proposal that created new resources or actual cuts would have been more convincing.

Senator Johnson's statement is as follows:

On the floor with me today is Scott Ray. I think just about everybody knows Scott. He's been here since about 1990. He's worked for me for a short eight months, but I have to tell you, to quote my chief of staff, "The guy is awesome—absolutely awesome," and I hate losing him, sincerely.

He's worked in the past for Senator Sanborn, Senator Goschka, Senator Bennett, and my former colleague who entered the Legislature at the same time I did, some 25 plus years ago, Senator Dunaskiss, and for our good friend, Governor Engler. And in addition to that, he served in the United States Army, of which we are all very proud. In

addition to that, on a personal note, he's an incredible parent, he's an incredible husband from what his wife tells us, and he's just, as Brian said, "The guy is awesome."

He's going to work for Central Michigan. He's going to represent charter schools. We were just discussing his traveling that is coming up. He's off to Colorado soon, so he's going to be doing a lot of traveling on behalf of Central Michigan and presenting charter school information to other states.

I would appreciate it if you would all give him a fond farewell he's well deserved. And again, the guy is awesome, Scott Ray.

By unanimous consent the Senate proceeded to the order of

### **General Orders**

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

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

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 4916, entitled**

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 10 (MCL 125.2690), as amended by 2000 PA 259.

**House Bill No. 4917, entitled**

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7ff (MCL 211.7ff), as amended by 1998 PA 498.

The bills were placed on the order of Third Reading of Bills.

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

**Senate Bill No. 673, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1536. Substitute (S-1).

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

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

**Senate Bill No. 674, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1538 (MCL 380.1538), as added by 1988 PA 339.

Substitute (S-1).

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

### **Resolutions**

Senators Cropsey, Patterson, Birkholz, Hammerstrom, Garcia, Bishop, Kuipers, Van Woerkom, Sikkema, Sanborn, McManus, George, Toy, Gilbert, Goschka, Hardiman, Allen, Stamas, Jelinek, Cassis and Brown offered the following resolution:

**Senate Resolution No. 65.**

A resolution to express our strong disappointment with the September 14, 2005, federal District Court ruling that reciting the Pledge of Allegiance in a public school is unconstitutional.

Whereas, The Pledge of Allegiance to the United States flag is once again under assault by those who fail to appreciate its unifying themes of liberty, unity, and faith. For a nation of immigrants and their descendents, pledging loyalty to the ideals that the American flag represents is a pillar of strength for a diverse nation; and

Whereas, Only last year, the United States Supreme Court dismissed a case brought before the courts on the grounds that the plaintiff lacked standing to sue. The same man who launched the assault on our Pledge of Allegiance that failed in 2004 has pursued his attempts to remove "under God" from the pledge; and

Whereas, In this latest case, United States District Judge Lawrence Karlton ruled that the reference to one nation “under God” in our Pledge of Allegiance violates schoolchildren’s right to be “free from a coercive requirement to affirm God.” That this clear expression of patriotism is being interpreted by this court as an issue of religious freedom is outrageous; and

Whereas, It is our hope that this ruling will be reversed by the federal courts. The Pledge of Allegiance must remain a unifying pledge of freedom for a nation built on citizens from the four corners of our globe who found refuge on our shores. Our pledge to the United States flag is a valuable symbol of our freedom and our schoolchildren deserve the right to this expression of loyalty that has served our nation well for over fifty years; now, therefore, be it

Resolved by the Senate, That we express our strong disappointment with the September 14, 2005, federal District Court ruling that reciting the Pledge of Allegiance in a public school is unconstitutional; and be it further

Resolved, That copies of this resolution be transmitted to the Ninth United States Circuit Court of Appeals, the United States Supreme Court, the members of the Michigan congressional delegation, and Governor Jennifer Granholm.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Hammerstrom moved that the resolution be referred to the Committee on Judiciary.

The motion prevailed.

Senators Barcia, Bernero and Switalski were named co-sponsors of the resolution.

Senators Cropsy, Patterson, Birkholz, Hammerstrom, Garcia, Bishop, Kuipers, Van Woerkom, Sikkema, Sanborn, McManus, George, Toy, Gilbert, Goschka, Hardiman, Allen, Stamas, Jelinek, Cassis and Brown offered the following concurrent resolution:

**Senate Concurrent Resolution No. 29.**

A concurrent resolution to express our strong disappointment with the September 14, 2005, federal District Court ruling that reciting the Pledge of Allegiance in a public school is unconstitutional.

Whereas, The Pledge of Allegiance to the United States flag is once again under assault by those who fail to appreciate its unifying themes of liberty, unity, and faith. For a nation of immigrants and their descendents, pledging loyalty to the ideals that the American flag represents is a pillar of strength for a diverse nation; and

Whereas, Only last year, the United States Supreme Court dismissed a case brought before the courts on the grounds that the plaintiff lacked standing to sue. The same man who launched the assault on our Pledge of Allegiance that failed in 2004 has pursued his attempts to remove “under God” from the pledge; and

Whereas, In this latest case, United States District Judge Lawrence Karlton ruled that the reference to one nation “under God” in our Pledge of Allegiance violates schoolchildren’s right to be “free from a coercive requirement to affirm God.” That this clear expression of patriotism is being interpreted by this court as an issue of religious freedom is outrageous; and

Whereas, It is our hope that this ruling will be reversed by the federal courts. The Pledge of Allegiance must remain a unifying pledge of freedom for a nation built on citizens from the four corners of our globe who found refuge on our shores. Our pledge to the United States flag is a valuable symbol of our freedom and our schoolchildren deserve the right to this expression of loyalty that has served our nation well for over fifty years; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we express our strong disappointment with the September 14, 2005, federal District Court ruling that reciting the Pledge of Allegiance in a public school is unconstitutional; and be it further

Resolved, That copies of this resolution be transmitted to the Ninth United States Circuit Court of Appeals, the United States Supreme Court, the members of the Michigan congressional delegation, and Governor Jennifer Granholm.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations,

Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the concurrent resolution,

Senator Hammerstrom moved that the concurrent resolution be referred to the Committee on Judiciary.

The motion prevailed.

Senators Barcia, Bernero and Switalski were named co-sponsors of the concurrent resolution.

By unanimous consent the Senate proceeded to the order of  
**Statements**

Senators Sikkema, Scott, Brater, Basham and Goschka asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Sikkema's statement is as follows:

I rise to make some brief comments upon the ultimate sacrifice recently made by a fellow citizen and soldier, made in Iraq recently. This is a constituent of mine named Major Gregory Fester who was from Ada, Michigan, in Kent County. He was a dedicated husband and, in fact, was a father of three young children. I want to say that it is with a very deep, personal sadness and also a genuine respect for this gentleman's legacy of accomplishment that I and the Michigan Senate join today with the entire Kent County community in extending our condolences to his family and many friends.

Major Fester was a reservist assigned to the Army Civil Affairs and Psychological Operations Command at Fort Bragg in North Carolina. About two and a half months ago, Major Fester was called to active duty in Iraq. His basic assignment was that he secured contracts for building projects and primarily the restoration of basic services, such as electricity, water, and schools.

Major Fester enjoyed a very successful career at Pfizer in pharmaceutical sales. While he lived at his home in Ada Township, he was a member of Ada Bible Church. He led an exemplary life and was really a study in the power of hard work, dedication, and commitment not just to his career and his family, but obviously to his country as well.

He was in the middle of serving a four-year commitment in the Army Reserves.

A moment of silence was observed in memory of Army Major Gregory Fester.

Senator Scott's statement is as follows:

Well, I have one more from my website today. "Who can I write in support of the rally of October 11. I cannot afford to take off from work. I more than support the rally and your efforts about insurance rates in the city of Detroit. My husband and I can barely afford to pay for school lunch for my son to eat hot lunch due in part to these astronomical insurance rates on our home and automobiles. Hot lunch is not expensive; it's just what holds my son's stomach longer to keep him alert for class. We have taken a lunch to school and it just doesn't fill him up like a hot lunch.

Due to the high insurance rates inside the city of Detroit, it would be cheaper to ride the bus, but who has time to stand in the rain, snow elements, risk getting colds, getting raped, robbed, or beaten because we can't afford this high insurance rate. It's ridiculous and so unfair to the working-class poor. I am sick and tired of folks saying we don't save, but how can we save for our kids' education if the state allows this insurance rating robbery of poor citizens in Detroit trying to get to work and school using some sort of personal reliable transportation? We have two cars, but due to insurance rates for both, it's like we have five car notes or something. That's ludicrous. We have to rob Peter to pay insurance for autos and I refuse to live in the suburbs to commute an extra hour or forty-five minutes, because of what?

I am not complaining to you, but I would like to voice my opinion and have it heard by the state. How can they help us? What actions or steps are they taking? Are they just watching or is action being taken?"

Well, I think she would like some answers. I hope someday we would answer these people soon.

Senator Brater's statement is as follows:

Mr. President and Senate colleagues, I rise to note with sadness the passing Simon Wiesenthal, who spent much of his life pursuing Nazis who perpetrated forced labor, tortures, and mass murders during the Holocaust of World War II. Born in Galicia in 1908, he expected to spend his life working as an architect; instead, at age 33 his life was cruelly interrupted when he and his wife were arrested and sent to a concentration camp. Simon Wiesenthal, upon his liberation at the end of World War II, felt compelled to devote the rest of his life to pursuing Nazi war criminals in hiding.

Among the figures he helped bring to trial were Hitler's deputy, Adolf Eichmann, a chief designer and executor of Hitler's genocide. He also pursued the Gestapo officer who arrested Anne Frank and Hermine Braunsteiner Ryan, who selected women and children for death in the gas chambers and who was found living as a housewife in Queens, New York.

Simon Wiesenthal's life reminds that one person of conscience can make an immeasurable difference in seeking justice. As he and other witnesses to the Holocaust age and pass on, it is the responsibility of the rest of us to record and remember this unspeakable chapter of human history and to recommit ourselves to eradicating bigotry, discrimination, and genocide wherever they persist in the world today.

Senator Basham's statement is as follows:

The Michigan National Guard, the 1077th Maintenance Unit, they're deploying to Iraq on Monday. They are currently at Fort McCoy in Wisconsin. They are actually from areas around the Detroit area, Lansing, Grand Rapids, and the U.P. I got a phone call at my house from First Sergeant Ed Sisko. They are trying to get a short leave starting tomorrow after 6 p.m. until Sunday. They have to be back at their base. They're trying to raise money so that they can go home. Sergeant First Class Sisko actually took his own credit card and leased out some buses and maxed out his credit card, but that is still short of the money that they need to get home. They actually need about \$7,600 to get home. These troops will be deployed.

If colleagues would like to send something to my office, and I know we can't fundraise on the floor, Mr. President, but certainly we can work it, making sure our troops get the chance to come home and visit their families and friends. This is a work in motion. TV-2 is to be commended for doing a couple of editorials on that issue yesterday, and they will continue to work to make sure that the troops come home, but colleague support would certainly help also.

Senator Goschka's statement is as follows:

I want to rise and show immense appreciation for the earlier comments by Senator Brater about Simon Wiesenthal. You can't imagine, I'm sure, what it must be like to be a part of a people whom someone as thoroughly wicked as Adolf Hitler was to try to wipe out an entire people. Simon Wiesenthal lost eighty-nine of his own family members to the Holocaust, and yet, all that he'd been through, he did not have hate in his heart. But he did believe in justice, and he spent the rest of his life as much as he could finding those Nazis who needed to be brought to justice. And I do believe that all throughout our country and throughout the world, if people understood who Simon Wiesenthal was and what he had gone through and what he sought to do and indeed what he accomplished, we all would honor him in a way that very few people receive such honor.

The phrase "never again" will forever be embodied and brought to the floor with what he has done. Because of Simon Wiesenthal, "never again" has meaning and it has life, and I think it's wonderful that we honor his memory today.

By unanimous consent the Senate returned to the order of

### **Introduction and Referral of Bills**

Senator Van Woerkom introduced

#### **Senate Bill No. 765, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 8901 (MCL 324.8901), as amended by 2004 PA 494, and by adding sections 8905d and 8905e.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senator Van Woerkom introduced

#### **Senate Bill No. 766, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 8831 (MCL 600.8831), as added by 1995 PA 54.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senator Cropsey introduced

#### **Senate Bill No. 767, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding sections 8911, 8913, 8915, and 8917.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senators Bishop, Garcia, Birkholz and Brown introduced

#### **Senate Bill No. 768, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 72105a (MCL 324.72105a), as added by 1997 PA 129.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.



Senator Gilbert introduced

**Senate Bill No. 769, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 74104 (MCL 324.74104), as added by 1995 PA 58.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senator Kuipers introduced

**Senate Bill No. 770, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 8919.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senators Patterson, Cassis, Kuipers, Hardiman, Birkholz and Brown introduced

**Senate Bill No. 771, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 17305.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

**House Bill No. 5050, entitled**

A bill to amend 1974 PA 198, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties," by amending section 9 (MCL 207.559), as amended by 1999 PA 140.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

### Committee Reports

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on Community Colleges (SB 266) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 8:00 a.m., Room 424, Capitol Building  
Present: Senators Jelinek, Goschka and Switalski

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on Education (SB 269) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 11:30 a.m., Room 426, Capitol Building  
Present: Senators Jelinek, Cropsey and Scott

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on Labor and Economic Growth (SB 276) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 1:00 p.m., Rooms 404 and 405, Capitol Building  
Present: Senators Garcia (C) and Prusi  
Excused: Senator Hardiman

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Corrections (SB 268) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 3:00 p.m., Room 424, Capitol Building  
Present: Senators Cropsy, Brown and Prusi

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Community Health (SB 267) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 5:00 p.m., House Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Stamas, George and Cherry

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Human Services (SB 271) submitted the following:  
Meeting held on Tuesday, September 20, 2005, at 8:30 a.m., Room 100, Farnum Building  
Present: Senators Hardiman (C), George and Scott

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Omnibus (HB 4831) submitted the following:  
Meeting held on Tuesday, September 20, 2005, at 9:00 a.m., House Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Johnson, Stamas and Prusi

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on School Aid (HB 4887) submitted the following:  
Meeting held on Tuesday, September 20, 2005, at 9:00 a.m., Room 426, Capitol Building  
Present: Senators Jelinek, Switalski and Cropsy

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Labor and Economic Growth (SB 276) submitted the following:  
Meeting held on Tuesday, September 20, 2005, at 11:30 a.m., Rooms 402 and 403, Capitol Building  
Present: Senators Garcia (C), Hardiman and Prusi

## COMMITTEE ATTENDANCE REPORT

The Committee on Transportation submitted the following:  
Public hearing held on Tuesday, September 20, 2005, at 1:13 p.m., Room 110, Farnum Building  
Present: Senators Gilbert (C), Kuipers, Goschka, Leland and Basham

## COMMITTEE ATTENDANCE REPORT

The Committee on Commerce and Labor submitted the following:  
Meeting held on Tuesday, September 20, 2005, at 3:00 p.m., Room 100, Farnum Building  
Present: Senators Allen (C), Toy, McManus, Schauer and Olshove

**Scheduled Meetings**

**Agriculture, Forestry and Tourism** - Thursday, September 22, 9:00 a.m., Room 110, Farnum Building (373-1635)

**Conference Committee -**

**State Police (SB 280)** - Thursday, September 22, 9:30 a.m., Rooms 402 and 403, Capitol Building (373-5932)

**Local, Urban and State Affairs** - Thursday, September 22, 10:00 a.m. or later immediately following session, Room 110, Farnum Building (373-1707)

**Michigan Capitol Committee** - Thursday, October 6, 12:30 p.m., Rooms 402 and 403, Capitol Building (373-0289)

Senator Hammerstrom moved that the Senate adjourn.  
The motion prevailed, the time being 12:00 noon.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Thursday, September 22, 2005, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate

