

No. 89
STATE OF MICHIGAN
Journal of the Senate
93rd Legislature
REGULAR SESSION OF 2005

Senate Chamber, Lansing, Tuesday, October 11, 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 not 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 Jim Barcia of the 31st District offered the following invocation:

Dear God, as we begin our work today on behalf of the citizens of Michigan, grant us the ability to reach decisions that will best serve our great state. Indeed, the tasks before us present a daunting challenge, and only Your blessings will help us in determining the proper course.

While addressing the important charge, let us not forget the many service men and women who gallantly fight to preserve our freedoms and sometimes courageously pay the ultimate cost for our liberty.

For this, we pray. Amen.

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

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 10:04 a.m.

10:31 a.m.

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

During the recess, Senators Gilbert, Sanborn, Brown, Emerson, Patterson, Van Woerkom, Jelinek, Sikkema, Goschka, Allen, George, Stamas, Toy, Johnson, Kuipers, McManus, Cassis, Birkholz, Garcia, Hardiman, Bishop and Cropsy entered the Senate Chamber.

A quorum of the Senate was present.

Motions and Communications

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

Senate Bill No. 246

Senate Bill No. 318

The motion prevailed.

Senator Hammerstrom moved that the rules be suspended and that the following bills, now on Committee Reports, be placed on the General Orders calendar for consideration today:

Senate Bill No. 785

House Bill No. 5055

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

The following communication was received and read:

Office of the Senate Majority Leader

October 11, 2005

Pursuant to Article 2, Part 2, Section 242 (1)(b) of PA 154 of 2005, I am hereby appointing Senator Ron Jelinek to the Community College Task Force.

Respectfully yours,
Ken Sikkema
Senate Majority Leader

The communication was referred to the Secretary for record.

The following communication was received:

Department of Human Services

September 28, 2005

Pursuant to Section 1002 of P.A. 344 of 2004, we are enclosing a copy of the following reports:

<u>Type of Report</u>	<u>Facility</u>	<u>License #</u>
Approval	Luce County DHS	CP480201253
Approval	Cheboygan County DHS	CP160201035

This report was performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. The reports may also be viewed on our website, within 48 hours, under "News, Publications & Information" at the following address: <http://www.michigan.gov/fia/>.

If you have any questions regarding this information, please feel free to contact Miriam E.J. Bullock at 517-373-8383.

Sincerely,
Marianne Udow

The communication was referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, October 6:
House Bill Nos. 4307 4700 5253

The Secretary announced the enrollment printing and presentation to the Governor on Monday, October 10, for her approval the following bill:

Enrolled Senate Bill No. 553 at 11:47 a.m.

The Secretary announced that the following official bills and joint resolution were printed on Thursday, October 6, and are available at the legislative website:

Senate Bill Nos. 791 792 793 794 795 796 797
Senate Joint Resolution H
House Bill Nos. 5257 5258 5259

The Secretary announced that the following official bills were printed on Friday, October 7, and are available at the legislative website:

Senate Bill Nos. 799 800 801 802 803 804
House Bill Nos. 5260 5261 5262 5263 5264 5265 5266 5267 5268 5269 5270 5271 5272 5273
5274 5275 5276 5277

Messages from the Governor

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

Senate Bill No. 272
Senate Bill No. 271
Senate Bill No. 264
Senate Bill No. 274
Senate Bill No. 281

The motion prevailed.

The following messages from the Governor were received:

Date: October 6, 2005
Time: 10:09 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 423 (Public Act No. 168), being

An act to amend 1927 PA 175, entitled "An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation

of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act,” by amending section 16p of chapter XVII (MCL 777.16p), as amended by 2000 PA 279. (Filed with the Secretary of State on October 6, 2005, at 11:18 a.m.)

Date: October 6, 2005
Time: 10:25 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 370 (Public Act No. 163), being

An act to amend 1993 PA 92, entitled “An act to require certain disclosures in connection with transfers of residential property,” by amending section 7 (MCL 565.957), as amended by 2003 PA 130. (Filed with the Secretary of State on October 6, 2005, at 11:08 a.m.)

Respectfully,
Jennifer M. Granholm
Governor

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. 298

Senate Bill No. 359

Senate Bill No. 521

Senate Bill No. 533

The motion prevailed.

Senate Bill No. 74, entitled

A bill to amend 2002 PA 712, entitled “Michigan Amber alert act,” (MCL 28.751 to 28.753) by amending the title and by adding section 4.

The House of Representatives has amended the bill as follows:

1. Amend page 4, following line 8, by inserting:

“Enacting section 1. This amendatory act takes effect February 1, 2006.”.

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

Pursuant to rule 3.202, the bill was laid over one day.

Senate Bill No. 134, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 11b of chapter XVII (MCL 777.11b), as amended by 2004 PA 150.

The House of Representatives has amended the bill as follows:

1. Amend page 4, following line 3, by inserting:

“Enacting section 2. This amendatory act takes effect February 1, 2006.” and renumbering the remaining enacting section.

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

Pursuant to rule 3.202, the bill was laid over one day.

Senate Bill No. 501, entitled

A bill to amend 1999 PA 123, entitled “An act to amend 1893 PA 206, entitled “The general property tax act,” by amending the title and sections 57, 59, 60, 61, 73c, 74, 87c, 107, 108, 131, 131c, and 131e (MCL 211.57, 211.59, 211.60, 211.61, 211.73c, 211.74, 211.87c, 211.107, 211.108, 211.131, 211.131c, and 211.131e), the title and section 59

as amended by 1983 PA 254, sections 57, 60, 61, 73c, 74, 108, 131, and 131c as amended by 1993 PA 291, section 87c as amended by 1988 PA 450, section 107 as amended by 1998 PA 378, and section 131e as amended by 1996 PA 476, and by adding sections 60a, 67c, 78, 78a, 78b, 78c, 78d, 78e, 78f, 78g, 78h, 78i, 78j, 78k, 78l, 78m, 78n, 78o, and 78p; and to repeal acts and parts of acts,” by repealing enacting section 5; and to repeal acts and parts of acts.

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.

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 Switalski as Chairperson.

Recess

Senator Hammerstrom moved that the Committee of the Whole recess subject to the call of the Chairperson.

The motion prevailed, the time being 12:10 p.m.

12:34 p.m.

The Committee of the Whole was called to order by the Chairperson, Senator Switalski.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Birkholz, assumed the Chair.

The President, Lieutenant Governor Cherry, resumed the Chair.

The Committee of the Whole reported back to the Senate, favorably and without amendment, the following bills:

Senate Bill No. 708, entitled

A bill to amend 2004 PA 241, entitled “Michigan children’s protection registry act,” by amending section 3 (MCL 752.1063).

Senate Bill No. 798, entitled

A bill to amend 1995 PA 24, entitled “Michigan economic growth authority act,” by amending section 8 (MCL 207.808), as amended by 2004 PA 398.

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 amendment, the following bill:

House Bill No. 4638, entitled

A bill to amend 1980 PA 523, entitled “Michigan code of military justice of 1980,” by amending sections 2, 3, 4, 7, 8, 9, 13, 14, 15, 16, 25, 26, 27, 29, 80, 84, 85, 92, 94, 99, 103, 105, 107, 108, 112, 113, 132, and 134 (MCL 32.1002, 32.1003, 32.1004, 32.1007, 32.1008, 32.1009, 32.1013, 32.1014, 32.1015, 32.1016, 32.1025, 32.1026, 32.1027, 32.1029, 32.1080, 32.1084, 32.1085, 32.1092, 32.1094, 32.1099, 32.1103, 32.1105, 32.1107, 32.1108, 32.1112, 32.1113, 32.1132, and 32.1134), section 16 as amended by 1990 PA 300, and by adding sections 50a, 88, 109, and 121.

The following is the amendment recommended by the Committee of the Whole:

1. Amend page 14, line 25, after “offense” by striking out the balance of the subsection and inserting a period.

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended 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. 785, entitled

A bill to amend 2004 PA 241, entitled "Michigan children's protection registry act," by amending sections 1, 3, and 5 (MCL 752.1061, 752.1063, and 752.1065).

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. 751, entitled

A bill to amend 1929 PA 137, entitled "An act to authorize the formation of corporations by summer resort owners; to authorize the purchase, improvement, sale, and lease of lands; to authorize the exercise of certain police powers over the lands owned by said corporation and within its jurisdiction; to impose certain duties on the department of commerce; and to provide penalties for the violation of by-laws established under police powers," by amending section 19 (MCL 455.219).

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:
House Bill No. 5055, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20161 (MCL 333.20161), as amended by 2004 PA 469.

Substitute (S-1).

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

By unanimous consent the Senate returned to the order of
Conference Reports

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 266, entitled

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, 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 community colleges and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

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

	For Fiscal Year Ending Sept. 30, 2006
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
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

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	\$ 281,327,400

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. 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.

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

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Ron Jelinek
Mike Goschka
Michael Switalski
Conferees for the Senate

Darwin Booher
Jerry O. Kooiman
Michael Sak
Conferees for the House

Pursuant to joint rule 9, the conference report was laid over one day.

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 267, entitled**

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make, supplement, and adjust appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal years ending September 30, 2005 and September 30, 2006; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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	
GROSS APPROPRIATION		\$ 10,326,194,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		34,090,000
ADJUSTED GROSS APPROPRIATION		\$ 10,292,104,000
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
GROSS APPROPRIATION		\$ 42,093,300

Appropriated from:

Federal revenues:		
Total federal revenues		11,518,800
Special revenue funds:		
Total private revenues		35,900

	For Fiscal Year Ending Sept. 30, 2006
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
GROSS APPROPRIATION	\$ 50,263,700
Appropriated from:	
Federal revenues:	
Total federal revenues	32,310,500
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

	For Fiscal Year Ending Sept. 30, 2006
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
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
Sec. 106. PUBLIC HEALTH ADMINISTRATION (HEALTH)	
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
Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS (HEALTH)	
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	326,300
Health professions—120.0 FTE positions	13,407,000
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

	For Fiscal Year Ending Sept. 30, 2006
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
Sec. 108. INFECTIOUS DISEASE CONTROL (HEALTH)	
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
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
Sec. 109. LABORATORY SERVICES (HEALTH)	
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
Sec. 110. EPIDEMIOLOGY (HEALTH)	
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

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2006

Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS (HEALTH)

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

Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION (HEALTH)

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
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
GROSS APPROPRIATION		\$ 35,533,800
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

Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES (HEALTH)

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
GROSS APPROPRIATION		\$ 44,586,900

For Fiscal Year
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2006

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
Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM (HEALTH)	
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
GROSS APPROPRIATION	\$ 185,770,800
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
Sec. 115. CHILDREN’S SPECIAL HEALTH CARE SERVICES (HEALTH)	
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
Sec. 116. OFFICE OF DRUG CONTROL POLICY (SAFETY)	
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
Sec. 117. CRIME VICTIM SERVICES COMMISSION (VULNERABLE)	
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

	For Fiscal Year Ending Sept. 30, 2006
Special revenue funds:	
Total other state restricted revenues	\$ 9,078,000
State general fund/general purpose	\$ 0
Sec. 118. OFFICE OF SERVICES TO THE AGING (VULNERABLE)	
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
State general fund/general purpose	\$ 33,695,400
Sec. 119. MEDICAL SERVICES ADMINISTRATION (HEALTH)	
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
Sec. 120. MEDICAL SERVICES (HEALTH)	
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

For Fiscal Year
Ending Sept. 30,
2006

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
Sec. 121. INFORMATION TECHNOLOGY (HEALTH)	
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 \$1,136,168,800.00. 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
COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS	
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
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
Diabetes and kidney program.....	295,800
Smoking prevention program	860,300
FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES	
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
CHILDREN'S SPECIAL HEALTH CARE SERVICES	
Outreach and advocacy	1,283,200
MEDICAL SERVICES	
Transportation.....	1,275,300
OFFICE OF SERVICES TO THE AGING	
Community services.....	14,854,300
Nutrition services.....	11,280,300
Senior volunteer services	1,153,400
Respite care program	4,400,000
CRIME VICTIM SERVICES COMMISSION	
Crime victim rights services grants.....	5,432,100
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT.....	\$ 1,136,168,800

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, allocation, 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 may 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 or 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 adjutor 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.

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

A bill to make, supplement, and adjust appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal years ending September 30, 2005 and September 30, 2006; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Tony Stamas
Thomas M. George
Deborah Cherry
Conferees for the Senate

Bruce Caswell
Roger Kahn
Alma Smith
Conferees for the House

Pursuant to joint rule 9, the conference report was laid over one day.

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 268, entitled**

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

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

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

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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
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

	For Fiscal Year Ending Sept. 30, 2006
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
Sec. 103. ADMINISTRATION AND PROGRAMS (SAFETY)	
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
Sec. 104. FIELD OPERATIONS ADMINISTRATION (SAFETY)	
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
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
Sec. 105. COMMUNITY CORRECTIONS (SAFETY)	
Full-time equated classified positions	17.0
Community corrections administration—17.0 FTE positions	\$ 1,662,800
Residential services	16,925,500

	For Fiscal Year Ending Sept. 30, 2006
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
GROSS APPROPRIATION	\$ 48,537,400
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
Sec. 106. CONSENT DECREES (SAFETY)	
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
GROSS APPROPRIATION	\$ 106,209,500
Appropriated from:	
State general fund/general purpose	\$ 106,209,500
Sec. 107. HEALTH CARE (SAFETY)	
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
GROSS APPROPRIATION	\$ 171,218,300
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments	331,400
State general fund/general purpose	\$ 170,886,900
Sec. 108. CORRECTIONAL FACILITIES ADMINISTRATION (SAFETY)	
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
Average population	1,382
Academic/vocational programs—410.5 FTE positions	33,860,700
Supplementary operational expenditures	17,840,700
GROSS APPROPRIATION	\$ 104,781,700
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

	For Fiscal Year Ending Sept. 30, 2006
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
Sec. 109. NORTHERN REGION CORRECTIONAL FACILITIES (SAFETY)	
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
GROSS APPROPRIATION	\$ 370,251,400
Appropriated from:	
Special revenue funds:	
Public works user fees	497,200
Resident stores	1,167,600
State general fund/general purpose	\$ 368,586,600
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

	For Fiscal Year Ending Sept. 30, 2006
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
GROSS APPROPRIATION	\$ 377,763,900
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
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.....	52,854,500
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
Sec. 112. INFORMATION TECHNOLOGY (SAFETY)	
Information technology services and projects	\$ 14,076,000
GROSS APPROPRIATION	\$ 14,076,000

For Fiscal Year
Ending Sept. 30,
2006

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		100
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 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 departments 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.

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 corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Alan L. Cropsey
Cameron Brown
Michael Prusi
Conferees for the Senate

Jack Brandenburg
John Pastor
Alma Smith
Conferees for the House

Pursuant to joint rule 9, the conference report was laid over one day.

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 269, entitled

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Recommends:

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

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

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:
ARTICLE 5
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	
GROSS APPROPRIATION		\$ 117,825,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 117,825,600
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
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

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT (KIDS SUCCEEDING)

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

Sec. 103. CENTRAL SUPPORT (KIDS SUCCEEDING)

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

	For Fiscal Year Ending Sept. 30, 2006
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
Sec. 104. INFORMATION TECHNOLOGY SERVICES (KIDS SUCCEEDING)	
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
Sec. 105. SPECIAL EDUCATION SERVICES (KIDS SUCCEEDING)	
Full-time equated classified positions.....52.0	
Special education operations—52.0 FTE positions	\$ 11,278,500
GROSS APPROPRIATION	\$ 11,278,500
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
GROSS APPROPRIATION	\$ 1,821,100
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
GROSS APPROPRIATION	\$ 11,121,700
Appropriated from:	
Federal revenues:	
Federal revenues	5,120,800

	For Fiscal Year Ending Sept. 30, 2006
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
GROSS APPROPRIATION	\$ 5,592,800
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
GROSS APPROPRIATION	\$ 4,030,300
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
Sec. 110. SCHOOL IMPROVEMENT SERVICES (KIDS SUCCEEDING)	
Full-time equated classified positions.....74.0	
School improvement operations—74.0 FTE positions.....	\$ 16,361,300
GROSS APPROPRIATION	\$ 16,361,300
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
Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES (KIDS SUCCEEDING)	
Full-time equated classified positions.....20.0	
School finance and school law operations—20.0 FTE positions	\$ 2,592,700
GROSS APPROPRIATION	\$ 2,592,700
Appropriated from:	
Federal revenues:	
Federal revenues	1,323,200
Special revenue funds:	
Certification fees.....	490,300
State general fund/general purpose	\$ 779,200
Sec. 112. EDUCATION ASSESSMENT AND ACCOUNTABILITY (KIDS SUCCEEDING)	
Full-time equated classified positions.....27.0	
Educational assessment operations—27.0 FTE positions	\$ 35,196,600
GROSS APPROPRIATION	\$ 35,196,600

For Fiscal Year
Ending Sept. 30,
2006

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
Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES	
(KIDS SUCCEEDING)	
Full-time equated classified positions	59.5
Grants administration and school support services operations—59.5 FTE positions	\$ 7,939,900
GROSS APPROPRIATION	\$ 7,939,900
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
Sec. 114. GRANTS AND DISTRIBUTIONS (KIDS SUCCEEDING)	
Middle school math project.....	\$ 100,000
School breakfast programs	9,625,000
GROSS APPROPRIATION	\$ 9,725,000
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.

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 education and certain other purposes relating to education for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Ron Jelinek
 Alan L. Cropsey
 Martha G. Scott
 Conferees for the Senate

John Moolenaar
 David Farhat
 Jim Plakas
 Conferees for the House

Pursuant to joint rule 9, the conference report was laid over one day.

FIRST CONFERENCE REPORT

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

Senate Bill No. 270, entitled

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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 environmental quality for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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	
GROSS APPROPRIATION		\$ 455,267,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		18,031,100
ADJUSTED GROSS APPROPRIATION		\$ 437,235,900
Federal revenues:		
Total federal revenues		144,062,700

	For Fiscal Year Ending Sept. 30, 2006
Special revenue funds:	
Total local revenues	\$ 0
Total private revenues	450,000
Total other state restricted revenues	260,913,600
State general fund/general purpose	\$ 31,809,600
FUND SOURCE SUMMARY:	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	1,567.2
GROSS APPROPRIATION	\$ 455,267,000
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
ADJUSTED GROSS APPROPRIATION	\$ 437,235,900
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

	For Fiscal Year Ending Sept. 30, 2006
Orphan well fund	\$ 2,029,600
Public swimming pool fund	541,700
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
GROSS APPROPRIATION	\$ 27,581,500
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

	For Fiscal Year Ending Sept. 30, 2006
Environmental education fund.....	\$ 203,700
Environmental pollution prevention fund	62,600
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
Sec. 103. AIR QUALITY (RESOURCE CONSERVATION)	
Full-time equated classified positions	242.0
Air quality programs—242.0 FTE positions	\$ 23,221,800
GROSS APPROPRIATION	\$ 23,221,800
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
Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES (RESOURCE CONSERVATION)	
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
GROSS APPROPRIATION	\$ 22,493,300
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
Sec. 105. OFFICE OF GEOLOGICAL SURVEY (RESOURCE CONSERVATION)	
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
Sec. 106. LAND AND WATER MANAGEMENT (RESOURCE CONSERVATION)	
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
Sec. 107. REMEDIATION AND REDEVELOPMENT (RESOURCE CONSERVATION)	
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
GROSS APPROPRIATION	\$ 142,159,900
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
Sec. 108. WASTE AND HAZARDOUS MATERIALS (RESOURCE CONSERVATION, HEALTH)	
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
GROSS APPROPRIATION	\$ 18,573,700
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
Sec. 109. WATER (RESOURCE CONSERVATION, HEALTH)	
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
Sec. 110. CRIMINAL INVESTIGATIONS (RESOURCE CONSERVATION)	
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
Sec. 111. GRANTS (RESOURCE CONSERVATION, HEALTH)	
Coastal management grants	\$ 2,000,000
Federal - Great Lakes remedial action plan grants	700,000

	For Fiscal Year Ending Sept. 30, 2006
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
Sec. 112. INFORMATION TECHNOLOGY (RESOURCE CONSERVATION)	
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
Settlement funds	511,600

	For Fiscal Year Ending Sept. 30, 2006
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
GRANTS	
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
TOTAL	\$ 6,288,700

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:

Site Name	County
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 Cran	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.

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 environmental quality for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michelle McManus
Mike Goschka
Jim Barcia
Conferees for the Senate

John Pastor
John Moolenaar
Chris Kolb
Conferees for the House

Pursuant to joint rule 9, the conference report was laid over one day.

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 273, entitled

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, 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 state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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
Total private revenues	0
Total other state restricted revenues	153,500,000
State general fund/general purpose	\$ 1,576,943,900

Sec. 102. CENTRAL MICHIGAN UNIVERSITY (PREPARED FOR JOBS)

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

Sec. 103. EASTERN MICHIGAN UNIVERSITY (PREPARED FOR JOBS)

Operations.....	\$ 76,140,600
GROSS APPROPRIATION	\$ 76,140,600
Appropriated from:	
State general fund/general purpose	\$ 76,140,600

Sec. 104. FERRIS STATE UNIVERSITY (PREPARED FOR JOBS)

Operations.....	\$ 48,634,700
GROSS APPROPRIATION	\$ 48,634,700
Appropriated from:	
State general fund/general purpose	\$ 48,634,700

Sec. 105. GRAND VALLEY STATE UNIVERSITY (PREPARED FOR JOBS)

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

Sec. 106. LAKE SUPERIOR STATE UNIVERSITY (PREPARED FOR JOBS)

Operations.....	\$ 12,506,300
GROSS APPROPRIATION	\$ 12,506,300
Appropriated from:	
State general fund/general purpose	\$ 12,506,300

Sec. 107. MICHIGAN STATE UNIVERSITY (PREPARED FOR JOBS, THRIVING ECONOMY)

Operations.....	\$ 283,730,300
Agricultural experiment station.....	33,163,800

	For Fiscal Year Ending Sept. 30, 2006
Cooperative extension service	\$ 28,604,300
GROSS APPROPRIATION	\$ 345,498,400
Appropriated from:	
State general fund/general purpose	\$ 345,498,400
Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY (PREPARED FOR JOBS)	
Operations.....	\$ 48,018,800
GROSS APPROPRIATION	\$ 48,018,800
Appropriated from:	
State general fund/general purpose	\$ 48,018,800
Sec. 109. NORTHERN MICHIGAN UNIVERSITY (PREPARED FOR JOBS)	
Operations.....	\$ 45,051,600
GROSS APPROPRIATION	\$ 45,051,600
Appropriated from:	
State general fund/general purpose	\$ 45,051,600
Sec. 110. OAKLAND UNIVERSITY (PREPARED FOR JOBS)	
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
Sec. 111. SAGINAW VALLEY STATE UNIVERSITY (PREPARED FOR JOBS)	
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
Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR (PREPARED FOR JOBS)	
Operations.....	\$ 316,368,500
GROSS APPROPRIATION	\$ 316,368,500
Appropriated from:	
State general fund/general purpose	\$ 316,368,500
Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN (PREPARED FOR JOBS)	
Operations.....	\$ 24,739,200
GROSS APPROPRIATION	\$ 24,739,200
Appropriated from:	
State general fund/general purpose	\$ 24,739,200
Sec. 114. UNIVERSITY OF MICHIGAN - FLINT (PREPARED FOR JOBS)	
Operations.....	\$ 20,903,100
GROSS APPROPRIATION	\$ 20,903,100
Appropriated from:	
State general fund/general purpose	\$ 20,903,100
Sec. 115. WAYNE STATE UNIVERSITY (PREPARED FOR JOBS)	
Operations.....	\$ 214,666,300
GROSS APPROPRIATION	\$ 214,666,300
Appropriated from:	
State general fund/general purpose	\$ 214,666,300
Sec. 116. WESTERN MICHIGAN UNIVERSITY (PREPARED FOR JOBS)	
Operations.....	\$ 109,695,200
GROSS APPROPRIATION	\$ 109,695,200
Appropriated from:	
State general fund/general purpose	\$ 109,695,200
Sec. 117. STATE AND REGIONAL PROGRAMS (PREPARED FOR JOBS)	
Full-time equated positions.....	1.0
Higher education database modernization and conversion—1.0 FTE position.....	\$ 200,000

	For Fiscal Year Ending Sept. 30, 2006
Midwestern higher education compact	\$ 90,000
GROSS APPROPRIATION	\$ 290,000
Appropriated from:	
State general fund/general purpose	\$ 290,000
Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS	
PROGRAM (PREPARED FOR JOBS)	
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
Sec. 119. GRANTS AND FINANCIAL AID (PREPARED FOR JOBS)	
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
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 under-represented 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 under-represented 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.

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

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Mike Goschka
Shirley Johnson
Conferees for the Senate

John Stewart
Jerry O. Kooiman
Richard J. Brown
Conferees for the House

Pursuant to joint rule 9, the conference report was laid over one day.

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 278, entitled**

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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 natural resources for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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	
GROSS APPROPRIATION		\$ 272,943,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		3,691,200
ADJUSTED GROSS APPROPRIATION		\$ 269,251,900
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

FUND SOURCE SUMMARY

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	2,073.5	
GROSS APPROPRIATION		\$ 272,943,100

	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
Sec. 102. EXECUTIVE (RESOURCE CONSERVATION)	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	45.6

	For Fiscal Year Ending Sept. 30, 2006
Commission (including travel expense—per diem)	\$ 91,300
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
GROSS APPROPRIATION	\$ 6,087,100
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
Sec. 103. ADMINISTRATIVE SERVICES (RESOURCE CONSERVATION)	
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
GROSS APPROPRIATION	\$ 7,794,600
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

	For Fiscal Year Ending Sept. 30, 2006
Forestland user charges	\$ 1,000
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
Sec. 104. LAND AND FACILITIES (RESOURCE CONSERVATION)	
Full-time equated classified positions	134.2
Land and facilities—134.2 FTE positions	\$ 19,609,600
GROSS APPROPRIATION	\$ 19,609,600
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
Sec. 105. DEPARTMENTAL OPERATION SUPPORT (RESOURCE CONSERVATION)	
Building occupancy charges	\$ 2,071,600
Rent - privately owned property	485,600
Gifts and bequests	500,000
GROSS APPROPRIATION	\$ 3,057,200
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
Sec. 106. WILDLIFE MANAGEMENT (RESOURCE CONSERVATION)	
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
Sec. 107. FISHERIES MANAGEMENT (RESOURCE CONSERVATION)	
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
GROSS APPROPRIATION		\$ 28,699,400

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
GROSS APPROPRIATION	\$ 14,784,100

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
GROSS APPROPRIATION	\$ 27,970,300

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

Sec. 113. INFORMATION TECHNOLOGY (RESOURCE CONSERVATION)

Information technology services and projects	\$ 8,704,200
GROSS APPROPRIATION	\$ 8,704,200

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.....	\$	<u>28,662,500</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. 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.

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 natural resources for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michelle McManus
Shirley Johnson
Michael Prusi
Conferees for the Senate

Howard Walker
Darwin Booher
Carl M. Williams
Conferees for the House

Pursuant to joint rule 9, the conference report was laid over one day.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Hammerstrom moved that rule 3.311 be suspended to permit reconsideration of the vote by which the House substitutes to the following bills were not concurred in:

Senate Bill No. 266

Senate Bill No. 267

Senate Bill No. 268

Senate Bill No. 269

Senate Bill No. 270

Senate Bill No. 273

Senate Bill No. 278

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

By unanimous consent the Senate returned to the order of

Messages from the House**Senate Bill No. 266, entitled**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was not concurred in.
The motion prevailed.
The question being on concurring in the substitute made to the bill by the House,
Senator Hammerstrom moved that the bill be referred to the Committee on Appropriations.
The motion prevailed.

Senate Bill No. 267, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was not concurred in.
The motion prevailed.
The question being on concurring in the substitute made to the bill by the House,
Senator Hammerstrom moved that the bill be referred to the Committee on Appropriations.
The motion prevailed.

Senate Bill No. 268, entitled

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was not concurred in.
The motion prevailed.
The question being on concurring in the substitute made to the bill by the House,
Senator Hammerstrom moved that the bill be referred to the Committee on Appropriations.
The motion prevailed.

Senate Bill No. 269, entitled

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was not concurred in.
The motion prevailed.
The question being on concurring in the substitute made to the bill by the House,
Senator Hammerstrom moved that the bill be referred to the Committee on Appropriations.
The motion prevailed.

Senate Bill No. 270, entitled

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was not concurred in.
The motion prevailed.
The question being on concurring in the substitute made to the bill by the House,
Senator Hammerstrom moved that the bill be referred to the Committee on Appropriations.
The motion prevailed.

Senate Bill No. 273, entitled

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was not concurred in.

The motion prevailed.

The question being on concurring in the substitute made to the bill by the House,

Senator Hammerstrom moved that the bill be referred to the Committee on Appropriations.

The motion prevailed.

Senate Bill No. 278, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Senator Hammerstrom moved to reconsider the vote by which the House substitute was not concurred in.

The motion prevailed.

The question being on concurring in the substitute made to the bill by the House,

Senator Hammerstrom moved that the bill be referred to the Committee on Appropriations.

The motion prevailed.

By unanimous consent the Senate returned 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 Switalski as Chairperson.

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

Senate Bill No. 754, entitled

A bill to amend 1991 PA 179, entitled "Michigan telecommunications act," by amending sections 102, 202, 208, and 304 (MCL 484.2102, 484.2202, 484.2208, and 484.2304), section 102 as amended by 1998 PA 41, sections 202 and 208 as amended by 1995 PA 216, and section 304 as amended by 2000 PA 295; and to repeal acts and parts of acts.

Substitute (S-5).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 3, line 15, after "**RESIDENTIAL**" by inserting "**OR BUSINESS**".
2. Amend page 3, line 16, after "**200**" by inserting "**OUTGOING**".
3. Amend page 3, line 17, after "**MONTH**" by inserting "**WITH ADDITIONAL LOCAL CALLS AVAILABLE AT A RATE SET IN ACCORDANCE WITH SECTION 304**".
4. Amend page 9, following line 4, by inserting:

"**(4) A PROVIDER SHALL SUBMIT TO THE COMMISSION ALL INFORMATION NECESSARY FOR THE PREPARATION OF THE ANNUAL REPORT UNDER THIS SECTION.**"
5. Amend page 9, line 26, after "**SERVICE**" by inserting "**TO**".
6. Amend page 10, following line 7, by inserting:

"**(v) PROCEDURES AND METHODS TO ENSURE ACCURATE, TIMELY, AND TRUTHFUL BILLING PRACTICES.**"
7. Amend page 10, following line 9, by inserting:

"**(E) CREATE A TASK FORCE TO STUDY THE CREATION OF A COORDINATED MICHIGAN TELEPHONE ASSISTANCE PROGRAM. THE PROGRAM SHALL PROVIDE FOR LOW INCOME CUSTOMERS TO RECEIVE ASSISTANCE WITH THEIR TELECOMMUNICATION SERVICES, INCLUDING, BUT NOT LIMITED TO LIFELINE, LINK-UP, AND COMMUNITY VOICE MAIL. THE TASK FORCE SHALL ISSUE A REPORT TO THE LEGISLATURE AND GOVERNOR ON OR BEFORE DECEMBER 31, 2006 CONTAINING ITS FINDINGS AND RECOMMENDATIONS. THE TASK FORCE SHALL CONSIST OF THE FOLLOWING MEMBERS:**

(i) THE CHAIRPERSON OF THE COMMISSION.

(ii) ONE REPRESENTATIVE FROM EACH BASIC LOCAL EXCHANGE PROVIDER WITH 250,000 OR MORE ACCESS LINES.

(iii) TWO REPRESENTATIVES FROM PROVIDERS WHO, TOGETHER WITH AFFILIATED PROVIDERS, PROVIDE BASIC LOCAL EXCHANGE OR TOLL SERVICE TO LESS THAN 250,000 END USERS IN THIS STATE.

(iv) TWO REPRESENTATIVES OF CONSUMER GROUPS PRIMARILY INTERESTED IN MATTERS AFFECTING LOW INCOME CUSTOMERS.

(v) ONE REPRESENTATIVE OF THE PROVIDER OF COMMUNITY VOICE MAIL IN MICHIGAN.”

8. Amend page 11, following line 27, by inserting:

“(E) ON OR BEFORE JULY 1, 2006 AND EVERY 6 MONTHS THEREAFTER, THE COMMISSION SHALL REPORT TO THE LEGISLATURE AND GOVERNOR ON THE CURRENT STATUS OF COMPETITION IN TELECOMMUNICATION SERVICES WITHIN THIS STATE. THE COMMISSION SHALL ESTABLISH BENCHMARK CRITERIA TO ALLOW FOR THE ASSESSMENT OF PROGRESS IN THE DEVELOPMENT OF COMPETITION IN TELECOMMUNICATION SERVICES.”

9. Amend page 18, following line 21, by inserting:

“SEC. 203B. THE COMMISSION MAY RECEIVE A COMPLAINT, FILED PURSUANT TO SEC. 203, AGAINST A PROVIDER OF BASIC LOCAL EXCHANGE SERVICE ALLEGING THAT THE PROVIDER IS OFFERING EITHER BASIC LOCAL EXCHANGE SERVICE OR ESSENTIAL BASIC LOCAL EXCHANGE SERVICE AT A PREDATORY RATE. IF THE COMMISSION FINDS THAT A PARTY’S COMPLAINT OR DEFENSE IS FRIVOLOUS, THE COMMISSION SHALL AWARD TO THE PREVAILING PARTY COSTS, INCLUDING REASONABLE ATTORNEY FEES, AGAINST THE NONPREVAILING PARTY AND THEIR ATTORNEY.”

10. Amend page 23, line 26, after “(1)” by inserting **“EACH PROVIDER SHALL OFFER ESSENTIAL BASIC LOCAL EXCHANGE SERVICE TO SUCH RESIDENTIAL CUSTOMER WITHIN THE PROVIDER’S SERVICE AREA.”**

11. Amend page 24, line 1, after “reasonable.” by striking out **“EACH PROVIDER”** and inserting **“THE COMMISSION”**.

12. Amend page 28, line 16, after **“COMMISSION.”** by inserting **“A PROVIDER SHALL NOT CHARGE A LATE PAYMENT FEE IN EXCESS OF 5% OF THE CUSTOMER’S OUTSTANDING ACCOUNT BALANCE.”**

13. Amend page 28, following line 19, by inserting:

“(11) A CALL MADE TO A LOCAL CALLING AREA ADJACENT TO THE CALLER’S LOCAL CALLING AREA SHALL BE CONSIDERED A LOCAL CALL AND SHALL BE BILLED AS A LOCAL CALL. A CALL MADE TO A CALLED PARTY WHO IS NOT LOCATED WITHIN THE GEOGRAPHIC AREA OF THE CALLER’S LOCAL CALLING AREA OR AN ADJACENT LOCAL CALLING AREA AS DEFINED BY THE COMMISSION’S ORDER IN CASE NUMBERS U-12515 AND U-12528, DATED FEBRUARY 5, 2001, IS NOT A LOCAL CALL IF THE TARIFF OF THE PROVIDER ORIGINATING THE CALL DOES NOT CLASSIFY THE CALL AS A LOCAL CALL.” and renumbering the remaining subsections.

14. Amend page 28, line 25, after **“BASIS.”** by inserting **“A PROVIDER SHALL OFFER ITS UNREGULATED CALLING FEATURES ON A STAND-ALONE BASIS TO ITS ESSENTIAL BASIC LOCAL EXCHANGE SERVICE CUSTOMERS”**.

15. Amend page 28, line 25, after **“CUSTOMERS”** by inserting **“NOTWITHSTANDING THIS SUBSECTION, IF AN END-USER COMBINES ESSENTIAL BASIC LOCAL EXCHANGE SERVICE WITH UNREGULATED CALLING FEATURES, THE END-USER’S ESSENTIAL BASIC LOCAL SERVICE REMAINS SUBJECT TO COMMISSION REGULATION”**.

16. Amend page 28, line 26, after **“(12)”** by striking out the balance of the line through **“ACT”** on line 3 and inserting **“A PROVIDER OF ESSENTIAL BASIC LOCAL EXCHANGE SERVICE MAY PROVIDE THAT SERVICE USING DIFFERENT TECHNOLOGIES, PROVIDED THE ESSENTIAL BASIC LOCAL EXCHANGE SERVICE IS OFFERED AS REQUIRED BY THIS ACT”**.

17. Amend page 29, line 4, after **“PERSON”** by inserting **“WITH DISABILITIES, OR WHO IS VOLUNTARILY PROVIDING A SERVICE FOR AN ORGANIZATION CLASSIFIED BY THE INTERNAL REVENUE SERVICE AS A SECTION 501(C)(3) OR (19) ORGANIZATION, OR”**.

18. Amend page 33, following line 4, by inserting:

“(Q) OFFER BASIC LOCAL EXCHANGE SERVICE OR ESSENTIAL BASIC LOCAL EXCHANGE SERVICE AT PREDATORY RATES.”

19. Amend page 36, following line 2, by inserting:

“(7) AFTER JULY 1, 2006, A PROVIDER OF BASIC LOCAL EXCHANGE SERVICE SHALL NOT ASSESS OR IMPOSE ON END-USERS AN INTRASTATE SUBSCRIBER LINE CHARGE OR END-USER LINE CHARGE.

(8) IF A PROVIDER IS ASSESSING OR IMPOSING AN INTRASTATE SUBSCRIBER LINE CHARGE OR END-USER LINE CHARGE ON JULY 1, 2005, THE PROVIDER MAY NO LATER THAN JULY 2, 2006 FILE WITH THE COMMISSION UNDER SECTION 304(2)(F) NOTICE OF AN INCREASE IN THE ESSENTIAL BASIC LOCAL EXCHANGE RATE IN AN AMOUNT NOT TO EXCEED THE PROVIDER'S INTRASTATE SUBSCRIBER LINE CHARGE OR END-USER LINE CHARGE IN EFFECT ON JULY 1, 2005." and renumbering the remaining subsection.

20. Amend page 44, following line 1, by inserting:

"(5) THE COMMISSION SHALL REQUIRE AN OPERATOR SERVICE PROVIDER TO QUOTE, AT THE CALLER'S REQUEST AND WITHOUT CHARGE, THE RATE AND ANY OTHER FEES OR SURCHARGES APPLICABLE TO THE CALL CHARGED BY THE OPERATOR SERVICE PROVIDER."

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

Recess

Senator Cropsy moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 1:31 p.m.

2:05 p.m.

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

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

Senator Hammerstrom moved that the rules be suspended and that the following bills, now on the order of Third Reading of Bills, be placed on their immediate passage:

Senate Bill No. 798

Senate Bill No. 708

Senate Bill No. 754

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

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

Senate Bill No. 457

Senate Bill No. 708

Senate Bill No. 798

Senate Bill No. 754

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 457, entitled

A bill to authorize the state administrative board to convey certain parcels of state owned property in Ionia county; to prescribe conditions for the conveyance; and to provide for disposition of revenue derived from the conveyance.

The question being on the passage of the bill,

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

Roll Call No. 462

Yeas—37

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsy	Johnson	Scott
Bernero	Garcia	Kuipers	Sikkema
Birkholz	George	Leland	Stamas

Bishop
Brater
Brown
Cassis
Cherry

Gilbert
Goschka
Hammerstrom
Hardiman

McManus
Olshove
Patterson
Prusi

Switalski
Thomas
Toy
Van Woerkom

Nays—0

Excused—0

Not Voting—1

Emerson

In The Chair: President

The Senate agreed to the title of the bill.

Senator Schauer moved that Senator Emerson be temporarily excused from the balance of today's session.
The motion prevailed.

Senator Emerson entered the Senate Chamber.

The following bill was read a third time:

Senate Bill No. 708, entitled

A bill to amend 2004 PA 241, entitled "Michigan children's protection registry act," by amending section 3 (MCL 752.1063).

The question being on the passage of the bill,

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

Roll Call No. 463

Yeas—38

Allen
Barcia
Basham
Bernero
Birkholz
Bishop
Brater
Brown
Cassis
Cherry

Clark-Coleman
Clarke
Cropsey
Emerson
Garcia
George
Gilbert
Goschka
Hammerstrom
Hardiman

Jacobs
Jelinek
Johnson
Kuipers
Leland
McManus
Olshove
Patterson
Prusi

Sanborn
Schauer
Scott
Sikkema
Stamas
Switalski
Thomas
Toy
Van Woerkom

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 798, entitled

A bill to amend 1995 PA 24, entitled “Michigan economic growth authority act,” by amending section 8 (MCL 207.808), as amended by 2004 PA 398.

The question being on the passage of the bill,

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

Roll Call No. 464**Yeas—38**

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

Nays—0**Excused—0****Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 754, entitled

A bill to amend 1991 PA 179, entitled “Michigan telecommunications act,” by amending sections 102, 103, 202, 203, 203a, 205, 210, 211, 213, 214, 303, 304, 304a, 305, 306, 309, 309a, 310, 315, 316a, 317, 321, 355, 359, 360, and 604 (MCL 484.2102, 484.2103, 484.2202, 484.2203, 484.2203a, 484.2205, 484.2210, 484.2211, 484.2213, 484.2214, 484.2303, 484.2304, 484.2304a, 484.2305, 484.2306, 484.2309, 484.2309a, 484.2310, 484.2315, 484.2316a, 484.2317, 484.2321, 484.2355, 484.2359, 484.2360, and 484.2604), section 102 as amended by 1998 PA 41, sections 103, 203, 203a, 303, 304, 310, and 604 as amended and sections 214 and 316a as added by 2000 PA 295, sections 202, 205, 210, 305, 306, and 309a as amended and sections 304a, 317, 321, 355, 359, and 360 as added by 1995 PA 216, and section 213 as amended by 2004 PA 591, and by adding section 215; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 2:12 p.m.

2:56 p.m.

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

Senator Sikkema moved that all pending amendments be combined and considered en bloc.
The motion prevailed.

Senator Sikkema moved that the previous question be ordered on the adoption of the amendments and passage of the bill.

The motion prevailed.

Senator Schauer offered the following amendment:

1. Amend page 28, line 20, by striking out all of subsection (11) and renumbering the remaining subsections.

Senator Bernero offered the following amendment:

1. Amend page 23, following line 4, by inserting:

“SEC. 215A. (1) THE SCOPE OF COMMISSION AUTHORITY REGARDING WIRELESS TELECOMMUNICATIONS DOES NOT EXTEND TO THE REGULATION OF MARKET ENTRY OR EXIT BY, THE ESTABLISHMENT OF RATES AND SERVICES OFFERED BY, OR RATES OF RETURN EARNED BY WIRELESS TELECOMMUNICATIONS PROVIDERS. THE COMMISSION MAY USE ITS AUTHORITY IN THE OVERSIGHT OF MARKETING AND BILLING PRACTICES, SERVICE QUALITY, PROVISION OF ACCURATE COVERAGE MAPS, AND RESOLUTION OF DISPUTES BETWEEN WIRELESS TELECOMMUNICATIONS PROVIDERS AND THEIR SUBSCRIBERS.

(2) THE COMMISSION SHALL ESTABLISH STANDARDS FOR, AND PUBLISH INFORMATION REGARDING, THE QUALITY OF SERVICE ASSOCIATED WITH WIRELESS TELECOMMUNICATIONS PROVIDERS OPERATING IN THE STATE, INCLUDING CALL CENTER PERFORMANCE, BLOCKED AND DROPPED CALL RATES, AND THE NUMBER OF COMPLAINTS RECEIVED BY THE COMMISSION FOR EACH WIRELESS TELECOMMUNICATIONS PROVIDER, PER 1,000 SUBSCRIBERS, QUARTERLY. THIS INFORMATION SHALL BE MADE AVAILABLE THROUGH THE COMMISSION’S WEBSITE, PAMPHLETS, OR OTHER MEANS SUITABLE FOR MASS DISTRIBUTION.

(3) THE COMMISSION SHALL MONITOR THE DEPLOYMENT OF WIRELESS TELECOMMUNICATIONS NETWORKS AND DEVELOP RULES FOR THE PRODUCTION OF ACCURATE COVERAGE MAPS BY WIRELESS TELECOMMUNICATIONS PROVIDERS IN THE STATE. THE COMMISSION SHALL DEVELOP SIGNAL STRENGTH THRESHOLDS, MEASURED IN DECIBLES RELATIVE TO 1 MILLIWATT, TO BE USED BY WIRELESS TELECOMMUNICATIONS PROVIDERS IN PRODUCING THE COVERAGE MAPS. THE COMMISSION MAY DEVELOP OTHER SERVICE QUALITY MEASUREMENTS, AS APPROPRIATE, SUCH AS ASSESSMENTS OF VOICE OR DATA TRANSMISSION QUALITY. THE COMMISSION SHALL DEVELOP SIGNAL STRENGTH THRESHOLDS THAT IDENTIFY LEVELS OF QUALITY OF SERVICE IN COVERAGE AREAS THAT ARE APPROPRIATE FOR THE POPULATION CHARACTERISTICS AND TERRAIN CONDITIONS IN COVERAGE AREAS OF THE STATE. MAPS MAY ALSO DEPICT OTHER MEASURES OF SERVICE QUALITY, AS APPROPRIATE, THAT SHALL BE DETERMINED BY THE COMMISSION. THE VERIFIED COVERAGE MAPS APPROVED BY THE COMMISSION SHOULD CLEARLY CONVEY INFORMATION REGARDING THE QUALITY OF SERVICE TO THE PUBLIC AND SHOULD HAVE UNIFORM CHARACTERISTICS ACROSS WIRELESS TELECOMMUNICATIONS PROVIDERS TO PROMOTE SERVICE QUALITY COMPARISONS BY CONSUMERS.

(4) THE COMMISSION SHALL DEVELOP METHODS TO VERIFY THE ACCURACY OF COVERAGE MAPS SUBMITTED BY WIRELESS TELECOMMUNICATIONS PROVIDERS TO THE COMMISSION FOR APPROVAL TO ENSURE THEIR COMPLIANCE WITH THE RULES ESTABLISHED BY THE COMMISSION UNDER THIS ACT. THE ACCURACY OF THESE MAPS SHOULD BE VERIFIED NO LESS THAN ANNUALLY. THE COMMISSION SHALL MAKE AVAILABLE TO THE PUBLIC COPIES OF VERIFIED ACCURATE COVERAGE MAPS FOR WIRELESS TELECOMMUNICATIONS PROVIDERS OPERATING IN THIS STATE.”.

Senator Bernero offered the following amendment:

1. Amend page 31, following line 10, by inserting:

“SEC. 304C. (1) ALL PROVIDERS OF WIRELESS TELECOMMUNICATIONS SERVICES SHALL PUBLISH VERIFIED COVERAGE MAPS SHOWING THE COVERAGE AREA ASSOCIATED WITH ALL STATEWIDE HOME CALLING AREAS AND EACH CALLING PLAN. WIRELESS TELECOMMUNICATIONS PROVIDERS SHALL MAKE COPIES OF VERIFIED COVERAGE MAPS AVAILABLE TO PROSPECTIVE AND EXISTING SUBSCRIBERS. COVERAGE MAPS SHOULD BE PREPARED IN COMPLIANCE WITH COMMISSION RULES AND SUBMITTED TO THE COMMISSION FOR VERIFICATION AND APPROVAL NO LESS THAN ANNUALLY.

(2) WIRELESS TELECOMMUNICATIONS PROVIDERS SHALL PUBLISH RATE INFORMATION IN A CLEAR AND UNDERSTANDABLE FORMAT. ANY RESTRICTIONS ON THE USE OF PACKAGE MINUTES SHOULD BE CLEARLY IDENTIFIED. PRICES, RATES, OR TERM CONTRACTS ASSOCIATED WITH WIRELESS TELECOMMUNICATIONS SERVICES SHALL INCLUDE A DISCLOSURE OF ANY GEOGRAPHIC LIMITATION TO THE ADVERTISED PRICE, RATE, OR TERM CONTRACT. RATE INFORMATION SHOULD INCLUDE A GOOD FAITH ESTIMATE OF THE TOTAL MONTHLY COST OF THE SERVICE, WHICH INCLUDES ANY ADDITIONAL SURCHARGES, CALL SETUP CHARGES, FEES, OR TAXES APPLICABLE TO THE PRICES, RATE, OR TERM CONTRACTS. RATE INFORMATION SHOULD BE CLEARLY IDENTIFIED. TERMINATION AND REACTIVATION FEES SHOULD BE CLEARLY STATED.”.

Senator Bernero offered the following amendment:

1. Amend page 33, following line 20, by inserting:

“SEC. 305A. ANY AGREEMENT OR CONTRACT THE CONSUMER OR SUBSCRIBER MAY EXECUTE SHALL BE A SEPARATE DOCUMENT FROM MARKETING MATERIALS USED TO PROMOTE WIRELESS TELECOMMUNICATIONS PRODUCTS OR SERVICES AND SHALL BE UNAMBIGUOUS AND LEGIBLE. RATES PROVIDED IN AGREEMENTS OR CONTRACTS SHOULD INCLUDE A GOOD FAITH ESTIMATE OF THE TOTAL MONTHLY COST OF A PLAN, INCLUDING TAXES, SURCHARGES, AND OTHER FEES THAT WILL APPEAR ON THE CUSTOMER’S BILL. THE TERMS AND CONDITIONS SPECIFIED IN THE CONTRACT REGARDING PRICES, TERMS OF USE, PACKAGE MINUTES, AND NONGOVERNMENT CHARGES ARE BINDING ON THE PROVIDER DURING THE TERM OF THE PLAN.”.

Senator Bernero offered the following amendment:

1. Amend page 29, following line 12, by inserting:

“(15) IF A CUSTOMER OF A WIRELESS TELECOMMUNICATIONS SERVICE TERMINATES A SERVICE CONTRACT BEFORE THE EXPIRATION DATE OF THE CONTRACT, THE WIRELESS PROVIDER MAY CHARGE THE CUSTOMER A TERMINATION FEE NOT TO EXCEED \$20.00.”.

Senator Bernero offered the following amendment:

1. Amend page 31, following line 10, by inserting:

“SEC. 304D. (1) FOR A PERIOD OF UP TO 20 DAYS AFTER THE DATE OF THE FIRST BILL FOR THE FIRST FULL MONTH OF SERVICE FOLLOWING SERVICE ACTIVATION, THE WIRELESS TELECOMMUNICATIONS SERVICE SUBSCRIBER SHALL BE ALLOWED, WITHOUT PENALTY, TO CANCEL THE CONTRACT WITH THE WIRELESS TELECOMMUNICATIONS PROVIDER AND RETURN FOR A FULL REFUND ANY WIRELESS TELECOMMUNICATIONS EQUIPMENT ACQUIRED FROM THE WIRELESS TELECOMMUNICATIONS PROVIDER, OR FROM ITS AGENTS OR AUTHORIZED DEALERS. THE SUBSCRIBER REMAINS RESPONSIBLE FOR ANY USE CHARGES INCURRED BEFORE TERMINATION. REFUNDS FOR EQUIPMENT ARE CONTINGENT UPON THE RETURN OF ALL WIRELESS EQUIPMENT IN PROPER WORKING ORDER.”.

Senator Bernero offered the following amendment:

1. Amend page 33, following line 20, by inserting:

“SEC. 305B. EACH WIRELESS TELECOMMUNICATIONS PROVIDER SHALL ESTABLISH AND MAINTAIN A TOLL-FREE CUSTOMER SERVICE TELEPHONE NUMBER WITH ACCESS TO A LIVE OPERATOR, THROUGH WHICH CONSUMERS MAY LODGE RELEVANT COMPLAINTS AND THROUGH WHICH ALL OF THE FOLLOWING INFORMATION MAY BE OBTAINED BY CONSUMERS:

(A) ALL RATES, SURCHARGES, AND FEES.

**(B) THE BALANCE OF MINUTES IN THE CONSUMER'S ACCOUNT, IF APPLICABLE.
(C) THE PROCESS TO DISPUTE CHARGES.”.**

Senator Brater offered the following amendment:

1. Amend page 27, following line 24, by inserting:

“(8) A PROVIDER SHALL BE ALLOWED ONLY 1 RATE INCREASE UNDER THIS SECTION DURING ANY 12-MONTH PERIOD. A PROVIDER MAY OFFER A SPECIAL INCENTIVE, BUT MAY NOT INCREASE THE RATE ABOVE THE RATE ESTABLISHED PRIOR TO THE SPECIAL INCENTIVE.”.

Senator Jacobs offered the following amendment:

1. Amend page 17, line 14, after “~~complainant~~” by striking out the balance of the line through “**FILED**” on line 15 and inserting “at the option of the complainant”.

Senator Jacobs offered the following amendment:

1. Amend page 33, following line 20, by inserting:

“SEC. 305C. NOT LESS THAN 30 DAYS FROM THE EXPIRATION DATE OF A SERVICE CONTRACT WITH A PROVIDER OF CELLULAR TELECOMMUNICATION SERVICE, THE PROVIDER SHALL GIVE NOTICE TO THE CUSTOMER OF THE EXPIRATION DATE.”.

Senators Jacobs, Prusi, Barcia, Basham and Cherry offered the following amendment:

1. Amend page 45, following line 16, by inserting:

“SEC. 502A. (1) A PROVIDER OF AN UNREGULATED TELECOMMUNICATION SERVICE SHALL NOT DO ANY OF THE FOLLOWING:

(A) CHARGE AN END-USER FOR A SERVICE THAT THE END-USER DID NOT REQUEST BY AN AFFIRMATIVE ORDER. FAILURE TO REFUSE AN OFFERED OR PROPOSED SERVICE IS NOT AN AFFIRMATIVE ORDER FOR THE SERVICE.

(B) IF AN END-USER HAS CANCELLED A SERVICE, CHARGE THE END-USER FOR SERVICES PROVIDED AFTER THE EFFECTIVE DATE THE SERVICE WAS CANCELLED.”.

Senator Bernero offered the following amendment:

1. Amend page 18, following line 21, by inserting:

“SEC. 204A. UPON COMPLAINT OR APPLICATION FILED BY A PARTY UNDER THIS ACT, THE COMMISSION SHALL HAVE AUTHORITY TO RESOLVE A DISPUTE BETWEEN 2 PROVIDERS ARISING UNDER AN INTERCONNECTION AGREEMENT APPROVED BY THE COMMISSION.”.

Senator Bernero offered the following amendment:

1. Amend page 33, following line 20, by inserting:

“SEC. 305D. A PROVIDER'S RATES FOR WHOLESALE SERVICES SHALL BE AT RATES BELOW ITS RETAIL RATES.”.

Senator Olshove offered the following amendment:

1. Amend page 29, following line 12, by inserting:

“(16) A PROVIDER SHALL FILE WITH THE COMMISSION FOR REVIEW AND APPROVAL A TARIFF FOR THE RATES AND CHARGES FOR CALLS MADE UNDER ESSENTIAL BASIC LOCAL EXCHANGE SERVICE THAT EXCEED THE 200-CALL LIMIT.”.

Senator Bernero offered the following amendment:

1. Amend page 18, following line 21, by inserting:

“Sec. 204. If 2 or more telecommunication providers are unable to agree on a matter relating to a ~~regulated~~ telecommunication issue between the parties, including but not limited to, a matter prohibited by section 305, then either telecommunication provider may file with the commission an application for resolution of the matter.”.

Senators Jacobs, Prusi, Barcia, Basham and Cherry offered the following amendment:

1. Amend page 45, following line 16, by inserting:

“Sec. 505. (1) An end user of a telecommunications provider, INCLUDING AN UNREGULATED PROVIDER, shall not be switched to another provider without the authorization of the end user.

(2) The commission shall issue orders to ensure that an end user of a telecommunications provider is not switched to another provider without the end user's oral authorization, written confirmation, confirmation through an independent third party, or other verification procedures subject to commission approval, confirming the end user's intent to make a switch and that the end user has approved the specific details of the switch. The order issued under

this section shall require that all providers comply with the regulations established by the federal communications commission on verification procedures for the switching of an end user's telecommunications provider.

(3) As used in this section and section 506:

(a) "End user" means the retail subscriber of a telecommunications service.

(b) "Telecommunications provider" or "provider" means a person that provides 1 or more telecommunications services for compensation. ~~Telecommunication provider does not include a provider of commercial mobile service as defined in section 332(d)(1) or Part I of title III of the communications act of 1934, chapter 652, 96 Stat. 1096, 47 U.S.C. 332."~~

Senator Brater offered the following amendment:

1. Amend page 45, following line 16, by inserting:

"Sec. 402a. (1) A provider of an unregulated service ~~may~~ **SHALL** file with the commission a tariff which shall contain **A COMMITMENT TO PROVIDE EMERGENCY SERVICES TO ITS CUSTOMERS, INCLUDING 9-1-1 AND E-9-1-1 SERVICES. IF 9-1-1 SERVICE IS NOT AVAILABLE IN AN AREA, THE PROVIDER SHALL MAKE ARRANGEMENTS FOR THE CUSTOMER TO REACH POLICE, FIRE, AND EMERGENCY MEDICAL SERVICES THROUGH ANOTHER MECHANISM. THE TARIFF MAY CONTAIN OTHER** ~~the~~ information the provider determines to be appropriate regarding ~~the offered service~~ **ITS RATES AND SERVICE OFFERINGS."**

Senator Brater offered the following amendment:

1. Amend page 33, following line 20, by inserting:

"**SEC. 305E. A PROVIDER OF A TELECOMMUNICATION SERVICE IN THIS STATE SHALL PROVIDE ON EACH SERVICE CONTRACT INFORMATION REGARDING WHICH ENTITY IS RESPONSIBLE FOR REPAIRS AND RESOLUTION OF OTHER SERVICE ISSUES. THE NOTICE WILL ALSO INCLUDE INFORMATION ON HOW TO CONTACT THE SERVICE PROVIDER WHICH IS RESPONSIBLE FOR SERVICE AND REPAIR."**

Senator Olshove offered the following amendments:

1. Amend page 23, line 26, after "(1)" by inserting "**ESSENTIAL BASIC LOCAL EXCHANGE SERVICE SHALL BE OFFERED TO EACH RESIDENTIAL CUSTOMER IN THIS STATE."**

2. Amend page 24, line 7, after "**RATES."** by inserting "**THE RATES FOR ESSENTIAL BASIC LOCAL EXCHANGE SERVICE SHALL ONLY BE ALTERED AS PROVIDED UNDER THIS SECTION AND ARE NOT SUBJECT TO SECTION 208."**

Senator Scott offered the following amendment:

1. Amend page 45, following line 16, by inserting:

"Sec. 502. (1) A provider of a telecommunication service shall not do any of the following:

(a) Make a statement or representation, including the omission of material information, regarding the rates, terms, or conditions of providing a telecommunication service that is false, misleading, or deceptive.

(b) Charge an end-user for a subscribed service that the end-user did not make an initial affirmative order. Failure to refuse an offered or proposed subscribed service is not an affirmative order for the service.

(c) If an end-user has canceled a service **IN COMPLIANCE WITH A TARIFF OR CONTRACT**, charge the end-user for service provided after the effective date the service was canceled.

(d) If a residential end-user has orally ordered a service, fail to confirm the order in writing within 15 days after the service is ordered.

(e) State to an end-user that their basic local exchange service or other regulated service will be discontinued unless the end-user pays a charge that is due for an unregulated service.

(f) Disparage the services, business, or reputation of another by false, **DECEPTIVE**, or misleading representation of fact.

(g) Represent to a party to whom services are supplied that the services are being supplied in response to a request made by or on behalf of the party when they are not.

(h) Cause a probability of confusion or a misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction **BY MAKING A FALSE, DECEPTIVE, OR MISLEADING STATEMENT**.

(i) Represent or imply that the subject of a transaction will be provided promptly, or at a specified time, or within a reasonable time, if the provider knows or has reason to know it will not be so provided.

(j) Cause coercion and duress as a result of the time and nature of a sales presentation.

(2) When the commission has authority to bring a proceeding for violation of this section, the commission may accept an assurance of discontinuance of a method, act, or practice which is alleged to be unlawful under this section from the person who is alleged to have engaged, be engaging, or be about to engage in the method, act, or practice.

The assurance shall not be an admission of guilt or be introduced in any other proceeding. Unless rescinded by the parties or voided by the court for good cause, the assurance may be enforced in the circuit court by the parties to the assurance. The assurance may include a stipulation for any of the following:

- (a) The voluntary payment by the person for the cost of investigation.
- (b) An amount to be held in escrow pending the outcome of an action.
- (c) An amount for restitution to an aggrieved person.”.

Senator Bernero offered the following amendment:

1. Amend page 44, following line 18, by inserting:

“SEC. 353A. (1) WHEN NEGOTIATING A SUCCESSOR INTERCONNECTION AGREEMENT, UNLESS THE PARTIES AGREE OTHERWISE, THE PARTIES SHALL USE THEIR CURRENT INTERCONNECTION AGREEMENT AS THE BASELINE DOCUMENT FOR NEGOTIATION. THE PARTY REQUESTING IN AN ARBITRATION PROCEEDING A CHANGE IN THE BASELINE DOCUMENT BEARS THE BURDEN OF PERSUASION THAT THE CHANGE IS NECESSARY.

(2) IF A PARTY NEGOTIATING AN INTERCONNECTION AGREEMENT WISHES TO TAKE A POSITION CONTRARY TO A PRIOR RULING OF THE COMMISSION IN AN ARBITRATION PROCEEDING, THE PARTY SHALL FILE A MOTION WITH THE COMMISSION DEMONSTRATING THAT GOOD CAUSE EXISTS TO RELITIGATE THE ISSUE. SUCH MOTION SHALL BE FILED NOT LATER THAN 90 DAYS FROM THE COMMENCEMENT OF NEGOTIATIONS. THE COMMISSION SHALL RULE UPON THE MOTION WITHIN 21 DAYS OF ITS FILING AND DETERMINE THE EXTENT TO WHICH THE ISSUE MAY BE RELITIGATED. A PARTY THAT BELIEVES THAT THE OTHER PARTY IS TAKING A POSITION CONTRARY TO A PRIOR RULING OF THE COMMISSION MAY ALSO FILE A MOTION FOR A DETERMINATION UNDER THIS SECTION.”.

The question being on the adoption of the amendments,

Senator Sikkema requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 465

Yeas—38

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

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The question being on the passage of the bill,

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

Roll Call No. 466**Yeas—38**

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

Nays—0**Excused—0****Not Voting—0**

In The Chair: President

Senator Brown offered to amend the title to read as follows:

A bill to amend 1991 PA 179, entitled “Michigan telecommunications act,” by amending sections 102, 103, 202, 203, 203a, 204, 205, 210, 211, 213, 214, 303, 304, 304a, 305, 306, 309, 309a, 310, 315, 316a, 317, 321, 355, 359, 360, 502, 505, and 604 (MCL 484.2102, 484.2103, 484.2202, 484.2203, 484.2203a, 484.2204, 484.2205, 484.2210, 484.2211, 484.2213, 484.2214, 484.2303, 484.2304, 484.2304a, 484.2305, 484.2306, 484.2309, 484.2309a, 484.2310, 484.2315, 484.2316a, 484.2317, 484.2321, 484.2355, 484.2359, 484.2360, 484.2505, and 484.2604), section 102 as amended by 1998 PA 41, sections 103, 203, 203a, 303, 304, 310, 502, and 604 as amended and sections 214 and 316a as added by 2000 PA 295, sections 202, 205, 210, 305, 306, and 309a as amended and sections 304a, 317, 321, 355, 359, and 360 as added by 1995 PA 216, section 213 as amended by 2004 PA 591, and section 505 as added by 1998 PA 260, and by adding sections 203b, 204a, 215, 215a, 304c, 304d, 305a, 305b, 305c, 305d, 305e, 353a, 402a, and 502a; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

By unanimous consent the Senate proceeded to the order of

Introduction and Referral of Bills

Senators Garcia, Jelinek, Goschka and Hardiman introduced

Senate Bill No. 805, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending sections 14 and 248 (MCL 257.14 and 257.248), as amended by 2004 PA 495.

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

Senators Patterson, Birkholz and Olshove introduced

Senate Bill No. 806, entitled

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

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

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

House Bill No. 4307, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

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

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

House Bill No. 4700, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 16204 (MCL 333.16204), as added by 1994 PA 234.

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 Health Policy.

House Bill No. 5253, entitled

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending section 13 (MCL 141.913), as amended by 2004 PA 355.

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

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

Statements

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

The motion prevailed.

Senator Scott's statement is as follows:

As you know, today, we had a rally in Lansing regarding the high cost of insurance in the state of Michigan, especially in our urban areas and the city of Detroit. I want to thank the chair of the National Black Caucus of Elected Officials, Mr. Wayne Ford, for coming from Iowa to be with us today as the insurance chair, of which I am the vice chair. A number of our elected officials from around the state and the county came and joined us, along with many citizens from around the state, letting us know that they are paying these high insurance rates, and they would certainly love for us to take up these bills very soon.

People are having to pay a high price to continue to live in the state of Michigan because of the high insurance rates. People have to make decisions on whether or not they're going to eat or whether they're going to have insurance on their cars so they can drive. So I would hope that my colleagues would take up these bills very, very soon.

I am grateful that the Governor is working on some other ends of insurance, so together with all of us working on it, we can make a better quality of life for the people of the state of Michigan.

Senator McManus' statement is as follows:

I rise today in the spirit of full disclosure. As you saw under the telecommunications bill, we moved fairly quickly today in terms of the procedure, and I just wanted to make the colleagues here fully aware. Some of you know that my husband works for SBC, and as we deliberated this issue today, I wanted to be fully conscious of Senate Rule 1.306 and disclose my family connection to this issue. My husband is not a policy-maker with the company; he's only just an engineer.

I did have the opportunity, while serving in the House of Representatives, to vote for the first time on the telecommunications re-write, and I looked at each issue individually and cast my vote accordingly, as I did today.

Committee Reports

The Committee on Finance reported

House Bill No. 4737, entitled

A bill to amend 1990 PA 100, entitled "City utility users tax act," by amending section 2 (MCL 141.1152), as amended by 1998 PA 548.

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

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

Nancy Cassis
Chairperson

To Report Out:

Yeas: Senators Cassis, Garcia, McManus, Thomas and Brater

Nays: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Finance submitted the following:

Meeting held on Wednesday, October 5, 2005, at 1:14 p.m., Room 110, Farnum Building

Present: Senators Cassis (C), Garcia, McManus, Thomas and Brater

The Committee on Economic Development, Small Business and Regulatory Reform reported

Senate Bill No. 662, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 261 (MCL 18.1261), as amended by 1993 PA 46.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

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

Alan Sanborn
Chairperson

To Report Out:

Yeas: Senators Sanborn, Allen, Gilbert and Basham

Nays: None

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

The Committee on Economic Development, Small Business and Regulatory Reform reported

Senate Bill No. 663, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 31 (MCL 208.31), as amended by 1999 PA 115.

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

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

Alan Sanborn
Chairperson

To Report Out:

Yeas: Senators Sanborn, Allen and Gilbert

Nays: Senator Basham

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

COMMITTEE ATTENDANCE REPORT

The Committee on Economic Development, Small Business and Regulatory Reform submitted the following:

Meeting held on Wednesday, October 5, 2005, at 3:00 p.m., Rooms 402 and 403, Capitol Building

Present: Senators Sanborn (C), Allen, Gilbert and Basham

Excused: Senator Jacobs

The Committee on Natural Resources and Environmental Affairs reported

Senate Bill No. 506, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 3101 (MCL 324.3101), as amended by 2004 PA 142, and by adding section 3109c.

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

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

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Brater and Basham

Nays: None

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

The Committee on Natural Resources and Environmental Affairs reported

Senate Bill No. 789, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5204 (MCL 324.5204), as added by 2002 PA 397.

With the recommendation that the bill pass.

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

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Brater and Basham

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Natural Resources and Environmental Affairs reported

Senate Bill No. 790, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5201 (MCL 324.5201), as added by 2002 PA 397.

With the recommendation that the bill pass.

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

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Brater and Basham

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Natural Resources and Environmental Affairs reported

House Bill No. 4572, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5204 (MCL 324.5204), as added by 2002 PA 397.

With the recommendation that the substitute (S-5) be adopted and that the bill then pass.

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

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Brater and Basham

Nays: None

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

The Committee on Natural Resources and Environmental Affairs reported

House Bill No. 4573, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 19708 (MCL 324.19708), as added by 2002 PA 397.

With the recommendation that the substitute (S-3) be adopted and that the bill then pass.
The committee further recommends that the bill be given immediate effect.

Patricia L. Birkholz
Chairperson

To Report Out:

Yeas: Senators Birkholz, Van Woerkom, Brater and Basham

Nays: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Natural Resources and Environmental Affairs submitted the following:
Meeting held on Thursday, October 6, 2005, at 8:00 a.m., Room 100, Farnum Building
Present: Senators Birkholz (C), Van Woerkom, Brater and Basham
Excused: Senator Patterson

The Committee on Technology and Energy reported

Senate Bill No. 785, entitled

A bill to amend 2004 PA 241, entitled "Michigan children's protection registry act," by amending sections 1, 3, and 5 (MCL 752.1061, 752.1063, and 752.1065).

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

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

Bruce Patterson
Chairperson

To Report Out:

Yeas: Senators Patterson, Kuipers, Birkholz, Brown, Cassis and Olshove

Nays: None

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

The Committee on Technology and Energy reported

Senate Resolution No. 57.

A resolution to express opposition to the study and construction of an international border crossing in the Downriver area.

(For text of resolution, see Senate Journal No. 75, p. 1225.)

With the recommendation that the resolution be adopted.

Bruce Patterson
Chairperson

To Report Out:

Yeas: Senators Patterson, Kuipers, Birkholz, Brown, Cassis and Olshove

Nays: None

The resolution was placed on the order of Resolutions.

The Committee on Technology and Energy reported

Senate Concurrent Resolution No. 27.

A concurrent resolution to express opposition to the study and construction of an international border crossing in the Downriver area.

(For text of resolution, see Senate Journal No. 75, p. 1227.)

With the recommendation that the concurrent resolution be adopted.

Bruce Patterson
Chairperson

To Report Out:

Yeas: Senators Patterson, Kuipers, Birkholz, Brown, Cassis and Olshove

Nays: None

The concurrent resolution was placed on the order of Resolutions.

COMMITTEE ATTENDANCE REPORT

The Committee on Technology and Energy submitted the following:

Meeting held on Wednesday, October 5, 2005, at 3:00 p.m., Room 210, Farnum Building and at 7:00 p.m., Trenton High School Auditorium, 2601 Charlton Road, Trenton

Present: Senators Patterson (C), Kuipers, Birkholz, Brown, Cassis, Olshove and Bernero

Excused: Senator Leland

The Committee on Appropriations reported

Senate Concurrent Resolution No. 30.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and the Regents of the University of Michigan relative to the University of Michigan-Dearborn Hubbard Drive Professional Training and Education Building Acquisition (Phase II) Engineering and Science Building Renovations Engineering Laboratory Building Addition.

(For text of resolution, see Senate Journal No. 86, p. 1740.)

With the recommendation that the concurrent resolution be adopted.

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Scott, Cherry, Clarke and Switalski

Nays: None

The concurrent resolution was placed on the order of Resolutions.

The Committee on Appropriations reported

Senate Concurrent Resolution No. 31.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and the Regents of the University of Michigan relative to the University of Michigan-Dearborn Hubbard Drive Professional Training and Education Building Acquisition (Phase II) Engineering and Science Building Renovations Science Building Addition.

(For text of resolution, see Senate Journal No. 86, p. 1741.)

With the recommendation that the concurrent resolution be adopted.

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Scott, Cherry, Clarke and Switalski

Nays: None

The concurrent resolution was placed on the order of Resolutions.

The Committee on Appropriations reported

Senate Concurrent Resolution No. 32.

A concurrent resolution approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan, the State Building Authority, and the Regents of the University of Michigan relative to the University of Michigan-Ann Arbor Central Campus Renovations Phase II Literature, Science, and the Arts Building.

(For text of resolution, see Senate Journal No. 86, p. 1742.)

With the recommendation that the concurrent resolution be adopted.

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Scott, Cherry, Clarke and Switalski

Nays: None

The concurrent resolution was placed on the order of Resolutions.

The Committee on Appropriations reported
House Bill No. 5055, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20161 (MCL 333.20161), as amended by 2004 PA 469.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.
 The committee further recommends that the bill be given immediate effect.

Shirley Johnson
 Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Scott, Cherry, Clarke and Switalski

Nays: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submitted the following:

Meeting held on Thursday, October 6, 2005, at 12:00 noon, Senate Appropriations Room, 3rd Floor, Capitol Building
 Present: Senators Johnson (C), Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Scott, Cherry, Clarke and Switalski

The Committee on Banking and Financial Institutions reported

Senate Bill No. 722, entitled

A bill to amend 1979 PA 152, entitled "State license fee act," by amending section 11 (MCL 338.2211), as amended by 2003 PA 87.

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

1. Amend page 2, line 26, after "**OCTOBER 1,**" by striking out "**2005**" and inserting "**2006**".
2. Amend page 3, line 9, after "**REGARDING**" by striking out "**BOARD**".

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

Michael D. Bishop
 Chairperson

To Report Out:

Yeas: Senators Bishop, Van Woerkom, Sanborn, Stamas, Leland and Clark-Coleman

Nays: None

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

The Committee on Banking and Financial Institutions reported

Senate Bill No. 723, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 601, 602, 721, 723, 725, 729, 732, 734, and 735 (MCL 339.601, 339.602, 339.721, 339.723, 339.725, 339.729, 339.732, 339.734, and 339.735), section 601 as amended by 1998 PA 250, section 602 as amended by 1981 PA 83, sections 721, 723, 729, 732, 734, and 735 as added by 1997 PA 10, and section 725 as amended by 1998 PA 380.

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

1. Amend page 7, line 2, after "**UNDER**" by inserting "**OR RELATED TO**".
2. Amend page 7, line 2, after "**FOR**" by striking out "**A CIVIL FINE**" and inserting "**AN ADMINISTRATIVE FINE PAYABLE TO THE DEPARTMENT**".
3. Amend page 7, line 3, after "**VIOLATION,**" by striking out the balance of the subsection and inserting: "**(6) THE DEPARTMENT MAY CONDUCT AN INVESTIGATION AND PROCEED UNDER ARTICLE 5 TO ENFORCE THIS SECTION.**".
4. Amend page 14, line 9, after the first "**THIS**" by striking out "**SECTION**" and inserting "**ARTICLE**".
5. Amend page 14, line 9, after "**UNDER**" by striking out "**THIS SECTION**" and inserting "**OR RELATED TO THIS ARTICLE**".
6. Amend page 14, line 10, after "**FINE**" by inserting "**PAYABLE TO THE DEPARTMENT**".
7. Amend page 14, line 14, after "**FEDERAL**" by striking out "**OR STATE COURT**" and inserting "**COURT, A STATE COURT, OR ANY OTHER COURT OF RECORD**".
8. Amend page 14, line 19, after "Sec. 735." by inserting "**(1)**".

9. Amend page 14, following line 22, by inserting:

“(2) THE ATTORNEY REPRESENTING A POLITICAL SUBDIVISION OR THE PROSECUTING ATTORNEY OF A COUNTY MAY BRING AN ACTION IN A COURT OF COMPETENT JURISDICTION TO ENFORCE THIS SECTION AND SECTION 601.”.

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

Michael D. Bishop
Chairperson

To Report Out:

Yeas: Senators Bishop, Van Woerkom, Sanborn, Stamas, Leland and Clark-Coleman

Nays: None

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

The Committee on Banking and Financial Institutions reported

Senate Bill No. 724, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 13p of chapter XVII (MCL 777.13p), as amended by 2005 PA 96.

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

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

Michael D. Bishop
Chairperson

To Report Out:

Yeas: Senators Bishop, Van Woerkom, Sanborn, Stamas, Leland and Clark-Coleman

Nays: None

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

COMMITTEE ATTENDANCE REPORT

The Committee on Banking and Financial Institutions submitted the following:

Meeting held on Thursday, October 6, 2005, at 12:00 noon, Room 100, Farnum Building

Present: Senators Bishop (C), Van Woerkom, Sanborn, Stamas, Leland and Clark-Coleman

Excused: Senator Olshove

COMMITTEE ATTENDANCE REPORT

The Committee on Agriculture, Forestry and Tourism submitted the following:

Meeting held on Friday, October 6, 2005, at 8:30 a.m., Room 110, Farnum Building

Present: Senators Van Woerkom (C), Gilbert, Jelinek, Brater and Thomas

COMMITTEE ATTENDANCE REPORT

The Joint Subcommittee on Capital Outlay submitted the following:

Meeting held on Thursday, October 6, 2005, at 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators George, Goschka, Hardiman, Prusi, Clarke and Cherry

Excused: Senators Johnson (C) and Cropsey

Scheduled Meetings

Banking and Financial Institutions - Wednesday, October 12, 12:00 noon, Room 210, Farnum Building (373-2417)

Economic Development, Small Business and Regulatory Reform - Wednesday, October 12, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-7670)

Gaming and Casino Oversight - Wednesday, October 12, 1:00 p.m., Room 210, Farnum Building (373-2413)

Health Policy - Wednesday, October 12, 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-3543)

Local, Urban and State Affairs - Thursday, October 13, 1:00 p.m., Room 110, Farnum Building (373-1707)

Senate Fiscal Agency Board of Governors - Thursday, October 27, 9:00 a.m., Room S-101, Capitol Building (373-0797)

Technology and Energy - Wednesday, October 12, 3:00 p.m., Room 210, Farnum Building (373-7350)

Senator Hammerstrom moved that the Senate adjourn.
The motion prevailed, the time being 3:08 p.m.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Wednesday, October 12, 2005, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

