

No. 68
STATE OF MICHIGAN
Journal of the Senate
92nd Legislature
REGULAR SESSION OF 2003

Senate Chamber, Lansing, Tuesday, July 15, 2003.

10:00 a.m.

The Senate was called to order by the President pro tempore, Senator Patricia L. Birkholz.

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

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

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

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

Reverend Stephen F. Long of St. John's Lutheran Church and School of Taylor offered the following invocation:

O Lord, whose gracious presence never fails to guide and govern those whom You have nurtured, in Your steadfast love and worship, make us ever revere and adore Your holy name through Jesus Christ Your Son our Lord, who lives and reigns with You and the Holy Spirit now and forever more. Amen.

The President pro tempore, Senator Birkholz, led the members of the Senate in recital of the *Pledge of Allegiance*.

Senator Emerson entered the Senate Chamber.

Motions and Communications

Senator Schauer moved that Senator Thomas be temporarily excused from today's session.
The motion prevailed.

The following communications were received:

Department of State

Administrative Rules
Notices of Filing

June 23, 2003

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 11:20 a.m. this date, administrative rule (03-06-01) for the Department of Environmental Quality, Air Quality Division, entitled "*Part 1. General Provisions,*" effective 7 days hereafter.

June 23, 2003

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 11:22 a.m. this date, administrative rule (03-06-02) for the Department of Environmental Quality, Air Quality Division, entitled "*Part 2. Air Use Approval,*" effective 7 days hereafter.

Sincerely,
Terri Lynn Land
Secretary of State
Elena L. Beasley, Manager
Office of the Great Seal

The communications were referred to the Secretary for record.

The Secretary announced the enrollment printing and presentation to the Governor on Wednesday, July 9, for her approval the following bills:

Enrolled Senate Bill No. 359 at 9:34 a.m.
Enrolled Senate Bill No. 360 at 9:36 a.m.
Enrolled Senate Bill No. 361 at 9:38 a.m.
Enrolled Senate Bill No. 370 at 9:40 a.m.
Enrolled Senate Bill No. 386 at 9:42 a.m.
Enrolled Senate Bill No. 390 at 9:44 a.m.
Enrolled Senate Bill No. 391 at 9:46 a.m.
Enrolled Senate Bill No. 431 at 9:48 a.m.
Enrolled Senate Bill No. 234 at 9:50 a.m.
Enrolled Senate Bill No. 460 at 9:52 a.m.

The Secretary announced the enrollment printing and presentation to the Governor on Thursday, July 10, for her approval the following bills:

Enrolled Senate Bill No. 480 at 2:41 p.m.
Enrolled Senate Bill No. 434 at 2:43 p.m.

- Enrolled Senate Bill No. 570 at 2:45 p.m.
- Enrolled Senate Bill No. 571 at 2:47 p.m.
- Enrolled Senate Bill No. 589 at 2:49 p.m.
- Enrolled Senate Bill No. 435 at 2:51 p.m.
- Enrolled Senate Bill No. 444 at 2:53 p.m.
- Enrolled Senate Bill No. 447 at 2:55 p.m.
- Enrolled Senate Bill No. 239 at 2:57 p.m.
- Enrolled Senate Bill No. 572 at 2:59 p.m.
- Enrolled Senate Bill No. 573 at 3:01 p.m.
- Enrolled Senate Bill No. 574 at 3:03 p.m.
- Enrolled Senate Bill No. 37 at 3:05 p.m.
- Enrolled Senate Bill No. 238 at 3:07 p.m.
- Enrolled Senate Bill No. 520 at 3:09 p.m.
- Enrolled Senate Bill No. 439 at 3:11 p.m.
- Enrolled Senate Bill No. 39 at 3:13 p.m.
- Enrolled Senate Bill No. 163 at 3:15 p.m.
- Enrolled Senate Bill No. 586 at 3:17 p.m.
- Enrolled Senate Bill No. 442 at 3:19 p.m.
- Enrolled Senate Bill No. 230 at 3:21 p.m.
- Enrolled Senate Bill No. 448 at 3:23 p.m.
- Enrolled Senate Bill No. 449 at 3:25 p.m.
- Enrolled Senate Bill No. 462 at 3:27 p.m.
- Enrolled Senate Bill No. 121 at 3:29 p.m.
- Enrolled Senate Bill No. 578 at 3:31 p.m.
- Enrolled Senate Bill No. 38 at 3:33 p.m.

The Secretary announced that the following bills were available at the legislative Web site on Thursday, July 3:

Senate Bill No.	606													
House Bill Nos.	4915	4916	4917	4918	4919	4920	4921	4922	4923	4924	4925	4926	4927	4928
	4929	4930	4931	4932	4933	4934	4935	4936	4937	4938	4939	4940	4941	4942
	4943	4944	4945	4946	4947	4948	4949							

The Secretary announced that the following bills were available at the legislative Web site on Tuesday, July 8:

Senate Bill Nos. 607 608 609 610

The Assistant President pro tempore, Senator Sanborn, assumed the Chair.

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

The following bill was read a third time:

House Bill No. 4192, entitled

A bill to amend 1973 PA 186, entitled "Tax tribunal act," by amending sections 35, 37, 43, and 62a (MCL 205.735, 205.737, 205.743, and 205.762a), section 35 as amended by 2000 PA 165, section 37 as amended by 1996 PA 505, and section 43 as amended and section 62a as added by 1994 PA 254.

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. 363

Yeas—36

Allen	Cherry	Hardiman	Prusi
Barcia	Clark-Coleman	Jacobs	Sanborn
Basham	Clarke	Jelinek	Schauer
Bernero	Cropsey	Johnson	Scott
Birkholz	Garcia	Kuipers	Sikkema
Bishop	George	Leland	Stamas

Brater
Brown
Cassis

Gilbert
Goschka
Hammerstrom

McManus
Olshove
Patterson

Switalski
Toy
Van Woerkom

Nays—0

Excused—1

Thomas

Not Voting—1

Emerson

In The Chair: Sanborn

Senator Hammerstrom moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to create the tax tribunal; to provide for personnel, jurisdiction, functions, practice and procedure; to provide for appeals; and to prescribe the powers and duties of certain state agencies; and to abolish certain boards.”.

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4708, entitled

A bill to amend 1909 PA 283, entitled “An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies,” by amending section 10 (MCL 224.10), as amended by 1989 PA 251.

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. 364

Yeas—37

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
Toy
Van Woerkom

Nays—0

Excused—1

Thomas

Not Voting—0

In The Chair: Sanborn

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 title of the bill.

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

The following bill was read a third time:

House Bill No. 4704, entitled

A bill to amend 1945 PA 327, entitled "Aeronautics code of the state of Michigan," by amending section 85 (MCL 259.85), as amended by 2002 PA 258; and to repeal acts and parts of acts.

The question being on the passage of the bill,

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

Roll Call No. 365**Yeas—36**

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

Nays—0**Excused—2**

Emerson

Thomas

Not Voting—0

In The Chair: Sanborn

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.

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

"An act relating to aeronautics in this state; providing for the development and regulation thereof; creating a state aeronautics commission; prescribing powers and duties; providing for the licensing, or registration, or supervision and

control of all aircraft, airports and landing fields, schools of aviation, flying clubs, airmen, aviation instructors, airport managers, manufacturers, dealers, and commercial operation in intrastate commerce; providing for rules pertaining thereto; prescribing a privilege tax for the use of the aeronautical facilities on the lands and waters of this state; providing for the acquisition, development, and operation of airports, landing fields, and other aeronautical facilities by the state, by political subdivisions, or by public airport authorities; providing for the incorporation of public airport authorities and providing for the powers, duties, and obligations of public airport authorities; providing for the transfer of airport management to public airport authorities, including the transfer of airport liabilities, employees, and operational jurisdiction; providing jurisdiction of crimes, torts, and contracts; providing police powers for those entrusted to enforce this act; providing for civil liability of owners, operators, and others; making hunting from aircraft unlawful; providing for repair station operators lien; providing for appeals from rules or orders issued by the commission; providing for the transfer from the Michigan board of aeronautics to the aeronautics commission all properties and funds held by the board of aeronautics; providing for a state aeronautics fund and making an appropriation therefor; prescribing penalties; and making uniform the law with reference to state development and regulation of aeronautics.”.

The Senate agreed to the full title.

By unanimous consent the Senate returned to the order of

Messages from the House

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

Senate Bill No. 395

Senate Bill No. 464

Senate Bill No. 509

The motion prevailed.

Senate Bill No. 133, entitled

A bill to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” by amending sections 7u, 7cc, 7dd, 9, 24c, 27d, and 120 (MCL 211.7u, 211.7cc, 211.7dd, 211.9, 211.24c, 211.27d, and 211.120), sections 7u and 24c as amended by 2002 PA 620, section 7cc as amended by 2002 PA 624, section 7dd as amended and section 27d as added by 1996 PA 476, section 9 as amended by 1996 PA 582, and section 120 as added by 1995 PA 74.

Substitute (H-3).

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

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

Roll Call No. 366

Yeas—36

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

Nays—0

Excused—2

Emerson Thomas

Not Voting—0

In The Chair: Sanborn

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

Senators Thomas and Emerson entered the Senate Chamber.

Senate Bill No. 463, entitled

A bill to amend 1972 PA 222, entitled "An act to provide for an official personal identification card; to provide for its form, issuance and use; to regulate the use and disclosure of information obtained from the card; to prescribe the powers and duties of the secretary of state; to prescribe fees; to prescribe certain penalties for violations; and to provide an appropriation for certain purposes," by amending section 2 (MCL 28.292), as amended by 2002 PA 553.

(For text of amendments, see Senate Journal No. 67, p. 1172.)

The question being on concurring in the amendments made to the bill by the House, The amendments were concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 367**Yeas—35**

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

Nays—3

Kuipers	Patterson	Sanborn
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Excused—0**Not Voting—0**

In The Chair: Sanborn

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

Senate Bill No. 129, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 1211 and 1211e (MCL 380.1211 and 380.1211e), section 1211 as amended and section 1211e as added by 1994 PA 258; 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.

Senate Bill No. 130, entitled

A bill to amend 1992 PA 147, entitled "Neighborhood enterprise zone act," by amending section 9 (MCL 207.779), as amended by 2001 PA 217.

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.

Senate Bill No. 131, entitled

A bill to amend 1993 PA 330, entitled "State real estate transfer tax act," by amending section 6 (MCL 207.526), as amended by 2000 PA 203.

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.

Senate Bill No. 132, entitled

A bill to amend 2002 PA 27, entitled "An act to establish procedures for municipalities to designate individual lots or structures as blighting; to purchase or condemn blighting property; to transfer blighting property for development; and to repeal acts and parts of acts," by amending section 2 (MCL 125.2802).

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

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

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

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

Senate Bill No. 134, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 20 (MCL 388.1620), as amended by 2002 PA 521.

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.

Senate Bill No. 135, entitled

A bill to amend 1993 PA 92, entitled "Seller disclosure act," by amending section 7 (MCL 565.957), as amended by 2000 PA 13.

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.

The following message was received and read:

July 15, 2003

This is to notify you that the House of Representatives has agreed with the request of the Senate that the Governor return Enrolled Senate Bill No. 391.

Very respectfully,
Gary L. Randall
Clerk of the House of Representatives

Senator Hammerstrom moved that a respectful message be sent to the Governor requesting the return of the following bill:

Senate Bill No. 391

The motion prevailed.

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

The motion prevailed.

Senator Sikkema's statement is as follows:

Standing with me is a very familiar face to all of us, certainly the majority caucus, but I think also the Democratic side as well. The reason Fred Hall is standing next to me is that for many years, in fact, 28 to be exact, he has been a member of the United States Air Force. Outside this room when he does his military duties, he's not known as Fred Hall, but as Lieutenant Colonel Alfred H. Hall. He is now retiring from the Air Force after 28 years of military responsibilities.

He's had a wide range of duties that I'm not going to repeat in those 28 years, but I would like the members to know that during that period of time, he has been awarded two Air Force Commendation Medals and four Meritorious Service Medals. The Meritorious Service Medal is only awarded to a member of the armed forces of the United States who distinguishes him or herself by either outstanding achievement or meritorious service to the United States. And I'd like to repeat that he has received four of those medals. In fact, with the most recent Meritorious Service Medal, it was noted, and I quote, "Lieutenant Colonel Hall is the epitome of the citizen soldier. He provided world-class support to the Air Force by committing innumerable personal hours, working with the Air National Guard Bureau to perfect Air Force instruction and established a novel and critically important readiness program following the 2001 terrorist attacks."

In some respects, I am saddened that he is retiring from his military duties, but I also want to congratulate him, and I would ask the entire Senate to rise and give him the recognition he deserves.

By unanimous consent the Senate returned to the order of

Messages from the Governor

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

Senate Bill No. 195

Senate Bill No. 364

The motion prevailed.

The following messages from the Governor were received:

Date: July 2, 2003

Time: 3:25 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 246 (Public Act No. 37), being

An act to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents

and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending section 11 (MCL 257.11), as amended by 2002 PA 652.

(Filed with the Secretary of State on July 3, 2003, at 3:35 p.m.)

Date: July 7, 2003
Time: 9:40 a.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 362 (Public Act No. 38), being

An act to amend 1979 PA 72, entitled "An act to require the governor to report certain tax expenditure items with the annual budget message to the legislature," by amending the title and sections 1, 2, and 3 (MCL 21.271, 21.272, and 21.273), section 2 as amended by 1996 PA 32 and section 3 as amended by 1983 PA 7.

(Filed with the Secretary of State on July 8, 2003, at 8:48 a.m.)

Date: July 9, 2003
Time: 3:35 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 461 (Public Act No. 40), being

An act to amend 1961 PA 236, entitled "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts," by amending sections 807, 808, 821, and 822 (MCL 600.807, 600.808, 600.821, and 600.822), section 807 as amended by 2002 PA 715 and sections 821 and 822 as amended by 2002 PA 92.

(Filed with the Secretary of State on July 9, 2003, at 3:40 p.m.)

Date: July 11, 2003
Time: 5:31 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 530 (Public Act No. 54), being

An act to amend 2001 PA 142, entitled "An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions," (MCL 250.1001 to 250.1100) by adding section 86.

(Filed with the Secretary of State on July 14, 2003, at 10:19 a.m.)

Date: July 11, 2003
Time: 5:52 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 425 (Public Act No. 44), being

An act to amend 1987 PA 96, entitled "An act to create a mobile home commission; to prescribe its powers and duties and those of local governments; to provide for a mobile home code and the licensure, regulation, construction, operation, and management of mobile home parks, the licensure and regulation of retail sales dealers, warranties of mobile homes, and service practices of dealers; to provide for the titling of mobile homes; to prescribe the powers and duties of certain agencies and departments; to provide remedies and penalties; to declare the act to be remedial; to repeal this act on a specific date; and to repeal certain acts and parts of acts," (MCL 125.2301 to 125.2349) by adding section 30i.

(Filed with the Secretary of State on July 14, 2003, at 9:59 a.m.)

Respectfully,
Jennifer M. Granholm
Governor

The following message from the Governor was received and read:

July 10, 2003

Due to a typographical error in the letter filed on June 25, 2003, I respectfully submit to the Senate a correction to the State Board of Accountancy appointment letter, "Steven" should be "**Stephen**":

State Board of Accountancy

Stephen H. Epstein, 4608 Maura Lane, West Bloomfield, Michigan 48323, county of Oakland, succeeding Steven Conley who has resigned, for a term commencing on June 25, 2003 and expiring on June 30, 2006.

Sincerely,
Jennifer M. Granholm
Governor

The message was referred to the Committee on Government Operations.

The following messages from the Governor were received and read:

July 10, 2003

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office under Section 3 of 1939 PA 176, MCL 423.3:

Employment Relations Commission

Honora J. Lynch, a Democrat, of 3453 Middlebelt Road, West Bloomfield, Michigan 48323, county of Oakland, succeeding Barry Ott, whose term has expired, for a term commencing on July 10, 2003 and expiring on June 30, 2006.

Pursuant to Section 4 of 1939 PA 176, MCL 423.4, Ms. Lynch is designated as Chairperson of the Commission.

July 10, 2003

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointments to state office under Section 21 of the State Housing Development Authority Act of 1966, PA 346, MCL 125.1421:

Michigan State Housing Development Authority

Bernard S. Gliberman, a Democrat, of 5050 Greensward Court, West Bloomfield, Michigan 48322, county of Oakland, succeeding Richard T. Miller, for a term commencing on July 10, 2003 and expiring on March 10, 2007.

Florise R. Neville-Ewell, a Democrat, of 19535 Cumberland Way, Detroit, Michigan 48203, county of Wayne, succeeding Herman W. Coleman, for a term commencing on July 10, 2003 and expiring on March 10, 2007.

July 10, 2003

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office under Section 1 of 1939 PA 3, MCL 460.1:

Michigan Public Service Commission

J. Peter Lark, a Democrat, of 2160 White Owl Way, Okemos, Michigan 48864, county of Ingham, succeeding David Svanda, whose term has expired, for a term commencing on August 4, 2003 and expiring on July 2, 2009.

Pursuant to Section 2 of 1939 PA 3, MCL 460.2, Mr. Lark is designated as Chairperson of the Commission, effective August 4, 2003.

July 11, 2003

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointments and reappointment to office under Section 7 of the Agricultural Commodities Marketing Act, 1965 PA 232, MCL 290.657:

Michigan Beef Industry Commission

Daniel M. Javor of 4351 Messer Road, Hastings, Michigan 49058, county of Barry, succeeding Charles Velmar Green, representing dairy farmers, for a term commencing on July 11, 2003 and expiring on May 31, 2006.

Dale R. Oeschger of 2129 South Bay Port Road, Bay Port, Michigan 49058, county of Huron, succeeding Walter James Stafford, representing cattle feeders, for a term commencing on July 11, 2003 and expiring on May 31, 2006.

Clarence R. Wilbur of 4551 M-38, Ontonagon, Michigan 49953, county of Ontonagon, to reappointment, representing cattle breeders, for a term commencing on July 11, 2003 and expiring on May 31, 2006.

July 14, 2003

I respectfully submit to the Senate the following appointments to office pursuant to Section 3(3) of the Community Corrections Act, 1988 PA 511, MCL 791.403(3), which provides that “the governor shall appoint, and the senate shall confirm the 13 members of the state board”:

State Community Corrections Board

Patricia L. Caruso, 3348 Lakeshore Drive, Sault Sainte Marie, Michigan 49783, county of Chippewa, succeeding William Overton, who has retired, representing the Department of Corrections, for a term commencing on July 14, 2003 and expiring on March 29, 2007, appointed under Section 3(3)(h).

Thomas N. Edmonds, 3512 Tamsin Avenue, Kalamazoo, Michigan 49008, county of Kalamazoo, succeeding Charlie L. Brown, who has resigned, representing county sheriffs, for a term commencing on July 14, 2003 and expiring on March 29, 2007, appointed under Section 3(3)(a).

Further, please be advised pursuant to Section 3(8) of the Community Corrections Act, 1988 PA 511, MCL 791.403(8), Larry C. Inman is designated Chairperson of the State Community Corrections Board, effective July 10, 2003.

Sincerely,
Jennifer M. Granholm
Governor

The appointments were referred to the Committee on Government Operations.

The following message from the Governor was received and read:

LAW ENFORCEMENT; RADIO TOWERS USE BY LOCAL GOVERNMENTS

July 14, 2003

Today, I return with my objections Enrolled Senate Bill 293, pursuant to Section 33 of Article IV of the Michigan Constitution of 1963. I have vetoed the bill because it is a solution in search of a problem.

Michigan law already permits the state to allow governmental public safety agencies to attach communications equipment to Michigan Public Safety Communications System (MPSCS) towers. While the previous administration denied such use, I have issued Executive Directive 2003-12 reversing that policy. Public safety agencies, including police, fire, and federal agencies, will be permitted to install equipment on MPSCS towers whenever technologically feasible and legally permissible. Legislation is not required.

I also object to Senate Bill 293 for the following reasons:

- No mechanism is included to protect the tax-exempt status of bonds issued by the State Building Authority to finance the construction of the MPSCS.
- The bill prohibits the installation of communications equipment by select tribal public safety agencies. This administration is committed to cooperative relations with all Native American tribes in Michigan.
- Finally, the bill reenacts a section of 1929 PA 152 that has been altered by two executive orders issued by my predecessor (Executive Orders 2001-3 and 2002-20), but fails to account for changes in state government affected by the orders.

For these reasons, I return Enrolled Senate Bill 293 without signature.

Respectfully,
Jennifer M. Granholm
Governor

This bill was returned from the Governor on July 14, 2003, at 10:17 a.m.

The question being on the passage of the bill, the objections of the Governor to the contrary notwithstanding, Senator Hammerstrom moved that consideration of the bill be postponed for today. The motion prevailed.

Conference Reports

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

Senate Bill No. 281

Senate Bill No. 286

Senate Bill No. 288

The motion prevailed.

Senator Hammerstrom moved that the following bill be referred to the Conference Committee:

Senate Bill No. 266, entitled

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

The motion prevailed.

Senator Hammerstrom moved that the following bill be referred to the Conference Committee:

Senate Bill No. 277, entitled

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for the testing of certain persons; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

The motion prevailed.

Senator Hammerstrom moved that the following bill be referred to the Conference Committee:

Senate Bill No. 283, entitled

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

Resolutions

Senators McManus, Birkholz, Kuipers, Johnson, Jelinek, George, Stamas, Allen, Gilbert, Toy, Patterson, Van Woerkom, Cassis, Garcia, Cropsey, Hammerstrom, Hardiman, Cherry, Olshove and Scott offered the following resolution:

Senate Resolution No. 128.

A resolution to urge the Department of Environmental Quality, the Department of Natural Resources, the United States Forest Service, and the United States Bureau of Land Management to exercise extra diligence in considering the proposal to drill for oil and gas beneath the Mason Tract in Crawford County.

Whereas, The recent announcement of plans to drill for oil and gas beneath the Mason Tract near the AuSable River in Crawford County has generated widespread concern. The plans call for directional drilling in the Huron Manistee National Forest to seek minerals beneath the parcel of land donated to the state under the condition that it remain safe from development; and

Whereas, The large number of people who consider the Mason Tract to be a pristine area that should be preserved from the equipment, roads, and activities inevitable with drilling are worried about the possible negative impact on one of the last remaining near-wilderness areas left in the Lower Peninsula. Outdoor sports groups feel the activities involved with drilling could be harmful to one of Michigan's most cherished fishing areas; and

Whereas, The characteristics of the Huron Manistee National Forest and the Mason Tract are such that extra caution and time should be taken at each step of the permit review process; now, therefore, be it

Resolved by the Senate, That we urge the Department of Environmental Quality, the Department of Natural Resources, the United States Forest Service, and the United States Bureau of Land Management to exercise extra diligence and explore all options in considering the proposal to drill for oil and gas beneath the Mason Tract in Crawford County in order to minimize the environmental impact on the area; and be it further

Resolved, That copies of this resolution be transmitted to the Department of Environmental Quality, the Department of Natural Resources, the United States Forest Service, and the United States Bureau of Land Management.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Hammerstrom moved that the resolution be referred to the Committee on Natural Resources and Environmental Affairs.

The motion prevailed.

The question was placed on the adoption of the following resolution consent calendar:

Senate Resolution No. 130

The resolution consent calendar was adopted.

Senators McManus, Birkholz, Kuipers, Johnson, Jelinek, George, Stamas, Allen, Gilbert, Toy, Brown, Patterson, Van Woerkom, Bishop, Cassis, Garcia, Cropsey, Hammerstrom, Sanborn, Hardiman, Olshove, Cherry, Scott, Clark-Coleman, Jacobs, Basham, Sikkema and Brater offered the following resolution:

Senate Resolution No. 130.

A resolution to recognize and commemorate August 9, 2003, as the 100th Anniversary of Michigan's State Forestry System and to encourage the continued sustainable management of Michigan's forests into the next 100 years.

Whereas, Michigan has a long and rich tradition of forestry dating back to the establishment by the Michigan Forestry Commission of the first state forest in 1903. Prior to this, and as farming had mostly failed on the poor sandy soils of northern Michigan, the landscape had been left with dead wood and vulnerable to intense forest fires. In 1871, fires burned approximately 2.5 million acres, and over 1 million acres burned in the Thumb Area in 1881. Fires destroyed trees and habitat, killed wildlife, and accelerated erosion and river/stream degradation; and

Whereas, In an effort to avoid future similar fires, in 1887, the state of Michigan established a Forestry Commission to preserve, protect, and restore Michigan's forests. The Forestry Commission started nurseries for seedlings and stressed that fire protection was imperative to good forest management. In 1902, Michigan Agricultural College (now Michigan State University) established a forestry curriculum for education, training, and research; and

Whereas, In 1903, the Forestry Commission established the first state forest in Crawford and Roscommon Counties. Over the next 100 years, the state forest system grew from 34,000 acres to nearly 4 million acres. It changed dramatically as well, transforming from cutover and burned-over abandoned land to a vibrant, healthy, growing forest; and

Whereas, Today, Michigan's landscape is again dominated by forests. These 19.3 million acres of forestland support a diversity of ecosystems, trees, animals, birds, and fish; provide outdoor recreation; protect air and water quality; support local communities and forest industry; and enhance the quality of life in Michigan; and

Whereas, Michigan's state forest system is the largest in the country. The efforts of many people and organizations have guided its stewardship and kept it healthy and growing; and

Whereas, It is fitting that we recognize and commemorate 100 years of Michigan forestry management with a celebration on August 9, 2003, at the North Higgins Lake State Park CCC Nursery; now, therefore, be it

Resolved by the Senate, That we recognize August 9, 2003, as the 100th Anniversary of Michigan's State Forest System and applaud the work of all those who have contributed to this rich tradition of conservation of one of state's most important resources; and be it further

Resolved, That we continue to explore and develop new methods for the sustainable management of the forests as we head into the next 100 years; and be it further

Resolved, That a copy of this resolution be transmitted to the Natural Resources Commission as a token of our esteem.

Senators McManus, Birkholz, Kuipers, Johnson, Jelinek, George, Stamas, Allen, Gilbert, Toy, Brown, Van Woerkom, Patterson, Bishop, Cassis, Garcia, Cropsey, Hammerstrom, Hardiman, Olshove, Cherry, Scott, Jacobs and Brater offered the following resolution:

Senate Resolution No. 129.

A resolution to memorialize the Congress of the United States to provide more training, equipment, and support to National Park Service rangers in order to assist their work in law enforcement, combating drug smuggling, and the war on terror.

Whereas, National Park Service rangers have a long tradition of preserving our national park system. They protect our wildlife and the physical integrity of our wilderness areas, and shepherd visitors and campers through these glorious vistas. This job has preserved the link between our modern urban lives and our frontier history and spirit; and

Whereas, This history of conservation and stewardship has fostered an idyllic lifestyle and mission that have attracted thousands to become National Park Service rangers. New realities have not only threatened this traditional work but have taken the lives of our rangers. America's national parks are no longer exclusively refuges for our wildlife and for citizens eager to connect with our wilderness heritage. Today, criminals increasingly seek the mountains, forests, and badlands of our national parks in order to evade law enforcement and to carry out their crimes; and

Whereas, In this new and dangerous environment, our rangers are confronted with a myriad of new law enforcement responsibilities in addition to their conservation duties. Drug smugglers with AK-47s as well as smoldering campfires have been known to await rangers as they patrol our parks. Yet we have not trained, equipped, or supported our Park Service rangers for the hazards of their job. We send them out ill-prepared, despite the fact that rangers are more likely to face assault than the officers of any other federal law enforcement agency. Rangers have been brutally attacked in our national parks, and it is our duty to provide them with the tools to carry out their dangerous mission safely; now, therefore, be it

Resolved by the Senate, That we memorialize the Congress of the United States to provide more training, equipment, and support to National Park Service rangers in order to assist their work in law enforcement, combating drug smuggling, and in the war on terror; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Hammerstrom moved that the resolution be referred to the Committee on Natural Resources and Environmental Affairs.

The motion prevailed.

Senators Stamas, Birkholz, George, Allen, Gilbert, Toy, Van Woerkom, Patterson, McManus, Cassis, Garcia, Cropsey and Hardiman offered the following concurrent resolution:

Senate Concurrent Resolution No. 28.

A concurrent resolution to urge the Department of Environmental Quality, the Department of Natural Resources, the United States Forest Service, and the United States Bureau of Land Management to exercise extra diligence in considering the proposal to drill for oil and gas beneath the Mason Tract in Crawford County.

Whereas, The recent announcement of plans to drill for oil and gas beneath the Mason Tract near the AuSable River in Crawford County has generated widespread concern. The plans call for directional drilling in the Huron Manistee National Forest to seek minerals beneath the parcel of land donated to the state under the condition that it remain safe from development; and

Whereas, The large number of people who consider the Mason Tract to be a pristine area that should be preserved from the equipment, roads, and activities inevitable with drilling are worried about the possible negative impact on one of the last remaining near-wilderness areas left in the Lower Peninsula. Outdoor sports groups feel the activities involved with drilling could be harmful to one of Michigan's most cherished fishing areas; and

Whereas, The characteristics of the Huron Manistee National Forest and the Mason Tract are such that extra caution and time should be taken at each step of the permit review process; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we urge the Department of Environmental Quality, the Department of Natural Resources, the United States Forest Service, and the United States Bureau of Land Management to exercise extra diligence and explore all options in considering the proposal to drill for oil and gas beneath the Mason Tract in Crawford County in order to minimize the environmental impact on the area; and be it further

Resolved, That copies of this resolution be transmitted to the Department of Environmental Quality, the Department of Natural Resources, the United States Forest Service, and the United States Bureau of Land Management.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations,

Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the concurrent resolution,

Senator Hammerstrom moved that the concurrent resolution be referred to the Committee on Natural Resources and Environmental Affairs.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

Statements

Senators Brown, Van Woerkom, Cropsey, George and Jelinek asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Brown's statement is as follows:

As chair of the Senate Appropriations Subcommittee on State Police, I rise, along with Senator Van Woerkom, for purposes of a memorial statement. Two months ago, Michigan State Trooper Kevin Marshall received the Michigan State Police award for bravery. His performance on the job won him this special citation. Trooper Marshall successfully subdued a suicidal woman who was trying to kill both her boyfriend and herself. The two civilians were treated at a local hospital, and Trooper Marshall went about his daily duties of protecting the citizens of Michigan.

Trooper Kevin Marshall married his high school sweetheart, Angela, who, I believe, is with us today and Senator Van Woerkom will shortly introduce. Trooper Marshall's marriage to Angela produced two children—Anthony, now five, and Danielle, now three. Trooper Marshall, Mr. President, was a member of the Michigan State Police Department Emergency Support Team and an eight-year veteran of the Michigan State Police. Trooper Marshall was laid to rest last Friday. He was killed in the line of duty at the age of 33, attempting to extract a barricaded gunman from a residential home.

Trooper Marshall's impact on his friends and colleagues was evident at his funeral. The Governor was present, along with 700 Michigan State Police troopers and over 1,000 police officers from across the United States and Canada. Bagpipes played "Amazing Grace," an honor guard offered a 21-gun salute, and the haunting sounds of "Taps" were heard.

Trooper Marshall was a brave man. He was dedicated to the people of Michigan. We recognize that he willingly gave his life so that we can live in peace and safety. The people of this state will miss his dedication and his presence in our lives. He was a husband and a father, a friend and colleague, and therein, Mr. President, is the deep tragedy of this loss. Our thoughts and prayers are with Trooper Marshall's family, especially his wife Angela. May God grant them comfort in their sorrow.

Mr. President, following remarks from Senator Van Woerkom, in whose district the Marshall family resides, I would ask for a moment of silence, as we honor the life and memory of Trooper Kevin Marshall.

Senator Van Woerkom's statement is as follows:

In the line of duty—we heard those words two years ago when firefighters, police officers, and emergency personnel rushed into the Twin Towers, and their lives were taken. In the line of duty—we've heard those words over the past couple of years as soldiers lost their lives in Afghanistan and Iraq. And now we hear those words once again as a trooper from Newaygo County gave his life as he protected the citizens of that community. He acted on behalf of all of us to keep our communities, our state, and our country safe. Trooper Kevin Marshall, a State Police trooper from the Newaygo Post, courageously entered the home of an armed and desperate man, and he lost his life in the prime of his life.

On behalf of the people of the state of Michigan and the people of Newaygo County, I want to express our sincere sympathy to Trooper Marshall's wife Angela, to his children, Anthony and Danielle, to his parents, Gerald and Kathleen, and to his extended family. And on behalf of the people of the state of Michigan and the people of Newaygo County, I want to express gratitude to the State Police and to all the other personnel who leave their homes each day, unaware of the dangers they are going to face and the duty that they may have to accept on behalf of the people of the communities.

I want to thank all those who put their lives on the line on our behalf, and I pray that you all are safe as you keep us safe.

A moment of silence was observed in memory of State Police Trooper Kevin Marshall.

Senator Cropsey's statement is as follows:

Last time we met, I told you about an emergency in the Sixth Circuit Court of Appeals. I'd like to read a letter from the legal counsel to President Bush. This was a letter that he had sent to the chairman of the Senate Judiciary Committee in the United States Senate, Senator Hatch, talking about how our current two United States Senators from the state of Michigan are withholding or put "blue slips" on four judges to the Circuit Court of Appeals for the Sixth Circuit. And this is what part of this letter says:

"As you note, Senators Levin and Stabenow have returned blue slips objecting to all five judicial nominees from Michigan pending before the committee. The Michigan Senators' letter further suggests that the White House did not engage in adequate consultation with them regarding these nominees."

He goes on and he starts to detail the chronology of the consultation that the President had with Senators Levin and Stabenow. "Senators Levin and Stabenow insisted from the outset that President Bush should renominate to the Sixth Circuit two nominees of President Clinton—Helene White and Kathleen McCree Lewis—who had not received hearings or votes. The Senators argued that 'elementary fairness necessitates that they be renominated, that hearings be held, and that they be voted up or down by the Senate Judiciary Committee.'

In response, we informed the Senators that we were in fact considering Judge White and Ms. McCree Lewis, along with numerous other candidates, for the Sixth Circuit, but that the President would not commit to renominating them for those seats. We explained that it is extraordinarily rare for a President to nominate for the federal bench an individual previously nominated by his predecessor, especially when the predecessor is from another political party; that President Bush was not responsible for the failure of Judge White and Ms. McCree Lewis to attain confirmation; and that numerous individuals appointed by President George H.W. Bush to the federal courts of appeals saw their nominations lapse without Senate action at the end of 1992, and did not have their names resubmitted by President Clinton. As we summarized, 'President Bush is entitled to make his own appointments for these vacancies, and he may well prefer candidates other than those previously chosen by President Clinton.'

Following this initial exchange, in which the White House made its position very clear, we moved forward with the process of evaluating candidates for the judicial vacancies in Michigan—including Judge White and Ms. McCree Lewis, whom we interviewed—and recommending nominees to the President. Throughout this process, we repeatedly consulted with the Michigan Senators, seeking their input on candidates time and time again, almost literally until the eve of their nominations. At no point did either Senator Levin or Senator Stabenow ever articulate any specific objections to any of the five nominees. Instead, the Michigan Senators consistently responded to our consultations by (1) continuing to ask that President Bush ‘address’ the White and McCree Lewis situations by renominating them, and (2) refusing to provide feedback on our proposed candidates unless and until we gave in to that request. Specifically, our records show that, prior to the nominations of the five individuals in question, the White House engaged in the following noteworthy consultations with the Michigan Senators”—April 3, 2001; April 10, 2001; May 17, 2001; May 23, 2001; June 7, 2001; June 15, 2001; June 21, 2001; July 9, 2001; August 8, 2001; August 10, 2001; August 14, 2001; August 17, 2001; August 22, 2001; August 23, 2001; October 9, 2001; October 31, 2001; November 1, 2001; November 2, 2001.

“Following these extensive consultations by the White House, the President nominated Judges McKeague, Saad and Neilson on November 8, 2001. Still, our consultations as to the remaining vacancies continued even after this point. I met with the Michigan Senators on December 19, 2001, and again on February 7, 2002, to discuss solutions to the Michigan situation, and I called them on June 20 and 24, 2002. Seeing no prospect of resolution, the President nominated Judge Griffin to the Sixth Circuit on June 26, 2002. Judge Ludington was nominated later that year on September 12.”

Senator George’s statement is as follows:

I just wanted to comment on an event that’s been in the news the last couple weeks and the unique Michigan connection to that event. That event was the Siamese twins separation surgery that took place in Singapore recently, which, unfortunately, ended in the death of the twins. I’m sure you saw references to it in the news. There were two 28-year-old twins from Iran who were conjoined at the head and had decided after many deliberations to undergo separation surgery which took place in Singapore. The surgery was about 50 hours long, and eventually, they both expired.

There’s an interesting Michigan connection to this medical procedure, and that is, there’s a Michigan-trained surgeon, a native of Detroit, whose name is Dr. Ben Carson. He’s African American and was born in the city of Detroit. He was reared by his mother in a single-parent household. He struggled in school, and eventually, his mother, who was interested in him reading books, would assign him to go to the library where he would be required to give her a book report every week. Eventually, he turned into a stellar student, graduated from school in Detroit, went on to attend Yale University on a scholarship, and then attended the University of Michigan Medical School. He graduated the year before I began there. I know these things because he’s written an autobiography. After medical school, he went on to training at John Hopkins University, where he is now the chief of neurosurgery—a Detroit native, chief of neurosurgery at John Hopkins University. He was called to consult on this unique operation because he’s one of the world’s experts on this type of surgery.

Unfortunately, the surgery was unsuccessful, but I think it underscores just the fact that it was undertaken and the advances that have been made in modern medicine today. We have many, many surgeries that a few years ago would have been considered risky or unthinkable—things that today are commonplace and take place every day within our districts. Things like open heart surgery, transplant surgery, skin and bone grafting surgery, and joint replacement surgery are now done on a daily basis. There was a time when they would have been on the realm of science fiction, but because of the advances in technology and in medicine, they are commonplace. The risk of those procedures has been markedly reduced.

So when we look at this attempted surgery on these conjoined twins, it’s sad and unfortunate that it was unsuccessful, but it’s just the fact that it was considered at all and that sometimes this surgery is successful is a reflection on advances in modern medicine. We should be very proud that we have a Michigan native who was so highly thought of that he chairs a neurosurgery department at John Hopkins and was asked to consult on this difficult case.

Senator Jelinek’s statement is as follows:

It is fair season in the great state of Michigan, not to overlook one of the greatest and oldest fairs in this nation, and that is the Michigan State Fair. On everyone’s desk today, you will find materials dealing with the Michigan State Fair. I would encourage all of our members to promote and attend the Michigan State Fair this August and September. Every member of this body—let’s get out!

You have in front of you a brochure, and more of these brochures are available. We would appreciate that every member of this body help distribute those brochures and make people aware of the great things that happen at the Michigan State Fair. Please use the suggested public service announcement that is provided at your desks.

Let’s make this Michigan State Fair the best state fair. It is an agricultural fair. It is an opportunity for the people and the visitors to Michigan to see what Michigan is all about.

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

The following communication was received and read:
Office of the Senate Majority Leader

July 3, 2003

Pursuant to Joint Rule 3(a), I have made the following appointments to the Conference Committee on Senate Bill 575:
Senator Johnson, Senator Sikkema and Senator Emerson

Respectfully yours,
Ken Sikkema
Senator Majority Leader

The communication was referred to the Secretary for record.

By unanimous consent the Senate returned to the order of
Messages from the Governor

Senator Hammerstrom moved that the enrollment be vacated on the following bill:

Senate Bill No. 391, entitled

An act to amend 1964 PA 265, entitled "An act to enact the uniform securities act relating to the issuance, offer, sale, or purchase of securities; to prohibit fraudulent practices in relation to securities; to establish civil and criminal sanctions for violations of the act and civil sanctions for violation of the rules promulgated pursuant to the act; to require the registration of broker-dealers, agents, investment advisers, and securities; to make uniform the law with reference to securities; and to repeal acts and parts of acts," by amending section 202 (MCL 451.602), as amended by 2000 PA 494.

The motion prevailed, and the bill was placed on the order of Messages from the House.

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 11:10 a.m.

11:34 a.m.

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

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

Senator Hammerstrom moved that Senators Hardiman, Johnson and Sikkema be temporarily excused from the balance of today's session.

The motion prevailed.

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

House Bill No. 4806

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

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 Assistant President pro tempore, Senator Sanborn, designated Senator Basham as Chairperson.

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

House Bill No. 4806, entitled

A bill to amend 1975 PA 197, entitled “An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials,” by amending section 1 (MCL 125.1651), as amended by 1997 PA 202.

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.

During the Committee of the Whole, Senator Hardiman entered the Senate Chamber.

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 bill, now on the order of Third Reading of Bills, be placed on its immediate passage:

House Bill No. 4806

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

The following bill was read a third time:

House Bill No. 4806, entitled

A bill to amend 1975 PA 197, entitled “An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials,” by amending section 1 (MCL 125.1651), as amended by 1997 PA 202.

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. 368

Yeas—35

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

Nays—0

Excused—2

Johnson

Sikkema

Not Voting—1

Bishop

In The Chair: Sanborn

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 title of the bill.

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 11:52 a.m.

12:23 p.m.

Pursuant to rule 1.101, in the absence of the Presiding Officers, the Senate was called to order by the Secretary of the Senate.

During the recess, Senators Sikkema and Johnson entered the Senate Chamber.

Recess

Senator Hammerstrom moved that the Senate recess until 2:00 p.m. The motion prevailed, the time being 12:24 p.m.

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

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 2:01 p.m.

2:07 p.m.

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

By unanimous consent the Senate returned to the order of

Messages from the House

The House of Representatives requested the return of
Senate Bill No. 391, entitled

A bill to amend 1964 PA 265, entitled "An act to enact the uniform securities act relating to the issuance, offer, sale, or purchase of securities; to prohibit fraudulent practices in relation to securities; to establish civil and criminal sanctions for violations of the act and civil sanctions for violation of the rules promulgated pursuant to the act; to require the registration of broker-dealers, agents, investment advisers, and securities; to make uniform the law with reference to securities; and to repeal acts and parts of acts," by amending section 202 (MCL 451.602), as amended by 2000 PA 494.

Senator Hammerstrom moved that the request of the House be granted. The motion prevailed.

House Bill No. 4248, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending sections 12f, 22, 33, and 48 of chapter XVII (MCL 777.12f, 777.22, 777.33, and 777.48), section 12f as added by 2002 PA 34, section 22 as amended by 2002 PA 143, and sections 33 and 48 as amended by 2000 PA 279.

The House of Representatives has substituted (H-4) the Senate substitute (S-4).

The House of Representatives has concurred in the Senate substitute (S-4) as substituted (H-4) and amended the title to read as follows:

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending sections 12f, 14h, 22, 33, and 48 of chapter XVII (MCL 777.12f, 777.14h, 777.22, 777.33, and 777.48), section 12f as added by 2002 PA 34, section 14h as added by 2002 PA 29, section 22 as amended by 2002 PA 143, and sections 33 and 48 as amended by 2000 PA 279.

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

Senator Hammerstrom moved that the rule be suspended.

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

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

Senator Hammerstrom moved that Senators Sikkema and Johnson be temporarily excused from the balance of today’s session.

The motion prevailed.

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

Roll Call No. 369

Yeas—34

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

Nays—0

Excused—2

Johnson Sikkema

Not Voting—2

Barcia Bernero

In The Chair: Sanborn

The Senate agreed to the title as amended.

Senator Schauer moved that Senators Barcia and Bernero be temporarily excused from the balance of today’s session. The motion prevailed.

Senators Barcia and Bernero entered the Senate Chamber.

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

The Secretary announced that the following House bills were received in the Senate and filed on Tuesday, July 15:
House Bill Nos. 4011 4599

Introduction and Referral of Bills

Senator Emerson introduced
Senate Bill No. 611, entitled

A bill to amend 1987 PA 96, entitled "The mobile home commission act," by amending sections 5, 6, 11, 16, 17, and 18 (MCL 125.2305, 125.2306, 125.2311, 125.2316, 125.2317, and 125.2318).

The bill was read a first and second time by title and referred to the Committee on Local, Urban and State Affairs.

Senators Toy, Olshove, George, Birkholz, Switalski, Cherry, Hardiman, Leland, Schauer, Jacobs, Thomas, Hammerstrom, McManus, Sanborn, Bernero, Barcia, Clarke, Gilbert and Johnson introduced

Senate Bill No. 612, 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 10a (MCL 460.10a), 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.

Senators Jacobs, Goschka, Scott and Thomas introduced

Senate Bill No. 613, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 303 and 319 (MCL 257.303 and 257.319), section 303 as amended by 2002 PA 422 and section 319 as amended by 2002 PA 534.

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

Senators Jacobs, Goschka, Scott and Thomas introduced

Senate Bill No. 614, entitled

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending sections 2, 6, 6a, and 11 of chapter XIIA (MCL 712A.2, 712A.6, 712A.6a, and 712A.11), section 2 as amended by 2001 PA 211, sections 6 and 11 as amended by 1996 PA 409, and section 6a as added by 1996 PA 252, and by adding sections 11a and 17e to chapter XIIA.

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

Senators Jacobs, Goschka, Scott and Thomas introduced

Senate Bill No. 615, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1599 (MCL 380.1599) and by adding section 1590.

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

Senators Patterson, Cropsey and Bishop introduced

Senate Bill No. 616, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3009 (MCL 500.3009), as amended by 1988 PA 43.

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

Senators Patterson, Cropsey and Bishop introduced

Senate Bill No. 617, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3009 (MCL 500.3009), as amended by 1988 PA 43.

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

Senators Patterson and Cropsey introduced

Senate Bill No. 618, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 3009a.

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

House Bill No. 4011, entitled

A bill to repeal 1927 LA 9, entitled "An act to prohibit hunting on Sunday in the county of Washtenaw and to prescribe penalties for the violation thereof."

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 Natural Resources and Environmental Affairs.

House Bill No. 4599, entitled

A bill to repeal local acts restricting hunting on Sundays in the counties of Tuscola, Lenawee, Hillsdale, and St. Clair.

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 Natural Resources and Environmental Affairs.

By unanimous consent the Senate returned to the order of

Messages from the House

Senator Hammerstrom moved to reconsider the vote by which consideration of the following bill was postponed for today:

Senate Bill No. 509

The motion prevailed.

The question being on the motion to postpone consideration of the bill for today,

Senator Hammerstrom withdrew the motion.

Senate Bill No. 509, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by adding section 732a. Substitute (H-6).

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

Senator Leland offered the following amendment to the substitute:

1. Amend page 1, line 1, after "**Sec. 732a.**" by inserting "**(1) A person whether licensed or not, who accumulates 4 or more points on their license within a 2-year period may choose either (1) pay the court fine and accept the points or (2) register for an approved driver responsibility class. If they return to the court within 90 days, they must still pay the fine, but the associated points are waived. The person may only choose this option once.**" and renumbering the remaining subsections.

The amendment to the substitute was not adopted.

Senator Schauer requested the yeas and nays.

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

The amendment to the substitute was not adopted, a majority of the members not voting therefor, as follows:

Roll Call No. 370

Yeas—14

Barcia
Basham
Brater
Cherry

Clark-Coleman
Clarke
Emerson
Jacobs

Leland
Olshove
Prusi

Schauer
Scott
Thomas

Nays—21

Allen	Garcia	Hardiman	Sanborn
Bernero	George	Jelinek	Stamas
Birkholz	Gilbert	Kuipers	Switalski
Bishop	Goschka	McManus	Toy
Brown	Hammerstrom	Patterson	Van Woerkom
Cropsey			

Excused—2

Johnson	Sikkema
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Not Voting—1

Cassis

In The Chair: Sanborn

Senator Gilbert offered the following amendment to the substitute:

1. Amend page 2, line 27, after “(6),” by striking out the balance of the subparagraph and inserting “(7), or (8).”
The amendment to the substitute was adopted.

The question being on concurring in the House substitute, as amended,

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

Roll Call No. 371**Yeas—32**

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

Nays—4

Clarke	Emerson	Leland	Scott
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Excused—2

Johnson	Sikkema
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Not Voting—0

In The Chair: Sanborn

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.

Protest

Senator Leland, under his constitutional right of protest (Art. 4, Sec. 18), protested against concurring in the House substitute to Senate Bill No. 509 and moved that the statement he made during the discussion of the substitute be printed as his reason for voting "no."

The motion prevailed.

Senator Leland's statement is as follows:

I'm going to vote "no" on this bill now, and I would hope that most of my colleagues would vote "no." I think what we're going to end up doing here is we're going to end up with a lot of drivers now who are going to be driving with no license. These folks who are going to be tagged with this fine are going to be hit twice. I think it's unfair. Some folks will have to drive for whatever their reasons are, and if they have to pay this additional money to restore or to keep their driver's license, they're going to end up driving on the streets with no driver's license. It is what it is.

Again, I think that it's unfortunate that we are passing a law that says that justice is for those who can afford to pay the price. I don't think that people who necessarily have bad driving records are driving worse than other folks. They're just stuck in a situation where they're helpless, they can't get out, and they don't know how to use the system or manipulate the system.

I think this is a bad bill. I tried to make it a better bill with my amendment. As I indicated, my amendment would have sent them to driving school as an option. The purpose of this bill is to make better drivers. We're not making better drivers in this bill by sticking it to them financially, and we're sticking it to the people who are on the low end of the scale, who are the folks who can least afford it. I think this is very unfortunate, and I'm sorry that my colleagues don't agree with me. Please vote "no" on this bill.

By unanimous consent the Senate returned to the order of

Motions and Communications

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

House Bill No. 4146

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

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 Assistant President pro tempore, Senator Sanborn, designated Senator Basham as Chairperson.

After some time spent therein, the Committee arose; and, the Assistant President pro tempore, Senator Sanborn, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

House Bill No. 4146, entitled

A bill to amend 2000 PA 321, entitled "Recreational authorities act," by amending sections 3, 5, 11, 21, and 23 (MCL 123.1133, 123.1135, 123.1141, 123.1151, and 123.1153), section 21 as amended by 2002 PA 233.

The bill was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

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

House Bill No. 4146

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

The following bill was read a third time:

House Bill No. 4146, entitled

A bill to amend 2000 PA 321, entitled "Recreational authorities act," by amending sections 3, 5, 11, 21, and 23 (MCL 123.1133, 123.1135, 123.1141, 123.1151, and 123.1153), section 21 as amended by 2002 PA 233.

The question being on the passage of the bill,

Senator Hammerstrom moved that further consideration of the bill be postponed temporarily.

The motion prevailed.

By unanimous consent the Senate returned to the order of

Resolutions

The question was placed on the adoption of the following resolution consent calendar:

Senate Resolution No. 132

The resolution consent calendar was adopted.

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

Senate Resolution No. 132.

A resolution to urge the Department of Natural Resources and the Natural Resources Trust Fund Board to take certain actions regarding the acquisition of specific property in Allegan County.

Whereas, A uniquely valuable parcel of land in Allegan County, the Denison property, is available for purchase. This property represents one of the last and largest stretches of relatively undeveloped land located along the Lake Michigan shoreline in the Lower Peninsula; and

Whereas, The Denison property represents a potential treasure of great state-wide significance. This land, which includes a mile of frontage along both Lake Michigan and the Kalamazoo River, includes critical dunes, interdunal wetlands, forest, and numerous rare species of plants. Significantly, all of these resources are very close to large population centers; and

Whereas, The opportunity to preserve this property for future generations and enhance the state's tourism and natural resources should not be squandered. This likely represents the state's last major chance to secure additional beach access for public benefit in this region. Doing so can only prove to be a wise investment for our entire state; now, therefore, be it

Resolved by the Senate, That we urge the Natural Resources Trust Fund Board to approve \$10 million over the next three years to enable the city of Saugatuck to acquire 161 acres of the southern section of the Denison property along Lake Michigan, and we express support for the Natural Resources Trust Fund Board's current commitment of \$6 million for the state to acquire 252 acres of the northern section of the property. We also urge the Department of Natural Resources to continue its support of efforts to acquire a portion of the northern section of the Denison property for inclusion in Saugatuck Dunes State Park; and be it further

Resolved, That copies of this resolution be transmitted to the Natural Resources Trust Fund Board and the Department of Natural Resources.

The President pro tempore, Senator Birkholz, resumed the Chair.

Senators Sanborn, Gilbert, Patterson, Van Woerkom, Cropsey, Birkholz, Hammerstrom, Garcia, Goschka, George, Toy, Brown, Bishop, Allen, Stamas, Cassis, Hardiman, Olshove and Switalski offered the following resolution:

Senate Resolution No. 131.

A resolution to memorialize Congress to adopt House Resolution 121 to endorse stronger protections for Lake St. Clair, the Heart of the Great Lakes.

Whereas, By any measure, Lake St. Clair is a critical component of the Great Lakes system. It is the source of drinking water for millions of Americans and Canadians and a vital element of the region's commercial, recreational, and transportation resources; and

Whereas, Even within the Great Lakes network, Lake St. Clair is unique in its value through its wetlands, its great variety of fish and plant species, and the range of habitats it holds. It is an unsurpassed treasure for boaters and anglers; and

Whereas, In spite of its clear importance to the health of millions of people and the quality of the water system that is the most valuable in the world, Lake St. Clair has been harmed by several environmental problems, including spills, beach closings, and invasive species. Resources to address all of these needs are badly needed; and

Whereas, Congress is considering a measure, House Resolution 121, which calls for increased efforts to protect Lake St. Clair and affirms the central role that it plays as the Heart of the Great Lakes. Clearly, this is a designation that is appropriate not only because of Lake St. Clair's shape and location, but also because of its commercial, environmental, and recreational significance to our nation; now, therefore, be it

Resolved by the Senate, That we memorialize Congress to adopt House Resolution 121 to endorse stronger protections for Lake St. Clair, the Heart of the Great Lakes; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Hammerstrom moved that the rule be suspended.

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

The resolution was adopted.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Recess

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

The motion prevailed, the time being 2:43 p.m.

2:56 p.m.

Pursuant to rule 1.101, in the absence of the Presiding Officers, the Senate was called to order by the Assistant Secretary of the Senate.

Recess

Senator Hammerstrom moved that the Senate recess until 4:00 p.m.

The motion prevailed, the time being 2:57 p.m.

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

Recess

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

The motion prevailed, the time being 4:01 p.m.

4:44 p.m.

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

Senator Hammerstrom moved that rule 2.106 be suspended to allow committees to meet during Senate session.

The motion prevailed.

Recess

Senator Hammerstrom moved that the Senate recess until 7:30 p.m.

The motion prevailed, the time being 4:45 p.m.

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

The Assistant President pro tempore, Senator Sanborn, resumed the Chair.

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 7:35 p.m.

7:47 p.m.

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

By unanimous consent the Senate returned to the order of

Conference Reports

Senator Hammerstrom moved to reconsider the vote by which consideration of the following bills was postponed for today:

Senate Bill No. 281

Senate Bill No. 286

Senate Bill No. 288

The motion prevailed.

The question being on the motion to postpone consideration of the bills for today,
Senator Hammerstrom withdrew the motion.

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

Senators McManus, Johnson and Sikkema entered the Senate Chamber.

Senate Bill No. 281, entitled

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2004; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

(For text of conference report, see Senate Journal No. 63, p. 1017.)

The question being on the adoption of the conference report,

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

Roll Call No. 372

Yeas—36

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

Nays—0

Excused—0

Not Voting—2

Basham

Cherry

In The Chair: Sanborn

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.

Senator Schauer moved that Senators Basham and Cherry be temporarily excused from the balance of today's session.
The motion prevailed.

Senator Basham entered the Senate Chamber.

Senate Bill No. 286, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

(For text of conference report, see Senate Journal No. 63, p. 1033.)

The question being on the adoption of the conference report,

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

Roll Call No. 373**Yeas—37**

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

Nays—0**Excused—1**

Cherry

Not Voting—0

In The Chair: Sanborn

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.

Senator Cherry entered the Senate Chamber.

Senate Bill No. 288, entitled

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

(For text of conference report, see Senate Journal No. 63, p. 1045.)

The question being on the adoption of the conference report,

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

Roll Call No. 374

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: Sanborn

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.

Senator Basham stated that had he been present when the vote was taken on the adoption of the conference report relative to the following bill, he would have voted “yea”:

Senate Bill No. 281

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 8:01 p.m.

8:18 p.m.

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

Senator Hardiman submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 283, entitled**

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Recommends:

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

A bill to make, supplement, and adjust appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal years ending September 30, 2003 and September 30, 2004; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2003-2004

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

FAMILY INDEPENDENCE AGENCY

Full-time equated classified positions.....	10,768.6	
Unclassified positions	6.0	
Total full-time equated positions	10,774.6	
GROSS APPROPRIATION		\$ 3,960,794,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 1,055,800
ADJUSTED GROSS APPROPRIATION		\$ 3,959,738,400
Federal revenues:		
Total federal revenues		2,681,332,950
Special revenue funds:		
Total private revenues		9,472,150
Total local revenues		65,097,100
Total other state restricted revenues		70,096,800
State general fund/general purpose		\$ 1,133,739,400

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions	470.8	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	464.8	
Other unclassified salaries—6.0 FTE positions		\$ 505,800
Salaries and wages—354.8 FTE positions.....		14,587,200
Contractual services, supplies, and materials		5,703,700
Demonstration projects—7.0 FTE positions.....		7,804,100
Commission on disability concerns—7.0 FTE positions		944,200
Commission for the blind—96.0 FTE positions		17,461,200
Youth low-vision program.....		260,000
GROSS APPROPRIATION		\$ 47,266,200

Appropriated from:

Federal revenues:		
Total federal revenues		34,769,600
Special revenue funds:		
Total private revenues		1,340,000
Total local revenues		275,000
Total other state restricted revenue.....		477,300
State general fund/general purpose		\$ 10,404,300

For Fiscal Year
Ending Sept. 30,
2004

Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Full-time equated classified positions	102.8	
Salaries and wages—71.7 FTE positions		\$ 3,802,400
Contractual services, supplies, and materials		11,672,900
Employment and training support services.....		21,229,100
Wage employment verification reporting—2.0 FTE positions		1,907,500
Urban and rural empowerment/enterprise zones.....		100
Training and staff development—29.1 FTE positions		8,203,000
Community services block grant.....		24,350,000
GROSS APPROPRIATION		\$ 71,165,000
Appropriated from:		
Federal revenues:		
Total federal revenues		60,432,700
Special revenue funds:		
State general fund/general purpose		\$ 10,732,300

Sec. 104. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions	200.0	
Child support enforcement operations—192.0 FTE positions		\$ 19,521,900
Legal support contracts		139,819,500
Child support incentive payments		32,409,600
Child support distribution computer system—8.0 FTE positions		26,195,300
GROSS APPROPRIATION		\$ 217,946,300
Appropriated from:		
Federal revenues:		
Total federal revenues		199,480,000
Special revenue funds:		
Total local revenues		340,000
State general fund/general purpose		\$ 18,126,300

Sec. 105. CHILD AND FAMILY SERVICES

Full-time equated classified positions	97.8	
Salaries and wages—37.8 FTE positions		\$ 1,984,600
Contractual services, supplies, and materials		1,407,500
Refugee assistance program—3.0 FTE positions		12,642,300
Foster care payments		143,007,000
Wayne County foster care payments		71,060,100
Adoption subsidies.....		219,386,200
Adoption support services—10.0 FTE positions		14,101,100
Youth in transition—6.5 FTE positions		12,757,200
Interstate compact.....		300,000
Children's benefit fund donations		21,000
Domestic violence prevention and treatment—5.0 FTE positions		13,476,300
Teenage parent counseling—3.0 FTE positions.....		3,771,300
Family preservation and prevention services—12.0 FTE positions		66,285,600
Black child and family institute		100,000
Rape prevention and services		2,600,000
Children's trust fund administration—6.0 FTE positions		439,200
Children's trust fund grants.....		3,615,000
Attorney general contracts		2,481,000
Guardian contract.....		600,000
Prosecuting attorney contracts		1,061,700
Child care fund		168,837,900
Child care fund administration—7.5 FTE positions		884,000
County juvenile offices		3,754,000
Community support services—7.0 FTE positions		1,479,400
GROSS APPROPRIATION		\$ 746,052,400

For Fiscal Year
Ending Sept. 30,
2004

Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 411,942,900
Special revenue funds:	
Private - children's benefit fund donations	21,000
Private - collections	5,033,900
Local funds - county payback	34,918,000
Children's trust fund	3,271,800
State general fund/general purpose	\$ 290,864,800
Sec. 106. JUVENILE JUSTICE SERVICES	
Full-time equated classified positions	820.9
Juvenile justice operations—800.9 FTE positions	\$ 69,354,900
Federally funded activities—12.0 FTE positions.....	1,727,800
W.J. Maxey memorial fund	45,000
Juvenile accountability incentive block grant—4.0 FTE positions	8,436,200
Committee on juvenile justice administration—4.0 FTE positions.....	464,800
Committee on juvenile justice grants	5,000,000
GROSS APPROPRIATION	\$ 85,028,700
Appropriated from:	
Federal revenues:	
Total federal revenues	18,154,900
Special revenue funds:	
Total private revenues	645,000
Local funds - county payback	29,068,600
State general fund/general purpose	\$ 37,160,200
Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS	
Full-time equated classified positions	8,468.4
Field staff, salaries and wages—8,397.4 FTE positions	\$ 336,299,400
Contractual services, supplies, and materials	26,354,300
Outstationed eligibility workers—60.0 FTE positions.....	4,664,500
Food stamp reinvestment.....	18,426,300
Wayne County gifts and bequests	100,000
Volunteer services and reimbursement—11.0 FTE positions.....	1,955,900
GROSS APPROPRIATION	\$ 387,800,400
Appropriated from:	
Federal revenues:	
Total federal revenues	237,173,150
Special revenue funds:	
Local funds - donated funds.....	191,100
Private funds - hospital contributions.....	2,332,250
Private - Wayne County gifts	100,000
State general fund/general purpose	\$ 148,003,900
Sec. 108. DISABILITY DETERMINATION SERVICES	
Full-time equated classified positions	606.0
Disability determination operations—580.0 FTE positions	\$ 68,756,100
Medical consultation program—21.0 FTE positions	2,826,500
Retirement disability determination—5.0 FTE positions.....	828,800
GROSS APPROPRIATION	\$ 72,411,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DMB - office of retirement systems	1,055,800
ADJUSTED GROSS APPROPRIATION	\$ 71,355,600
Appropriated from:	
Federal revenues:	
Total federal revenues	68,534,100
State general fund/general purpose	\$ 2,821,500

For Fiscal Year
Ending Sept. 30,
2004

Sec. 109. CENTRAL SUPPORT ACCOUNTS

Rent	\$ 42,645,700
Occupancy charge	11,448,200
Grand tower facility reimbursement	1,386,800
Travel	5,776,800
Equipment	1,045,300
Workers' compensation	4,750,700
Advisory commissions	17,900
Payroll taxes and fringe benefits	178,733,300
GROSS APPROPRIATION	\$ 245,804,700

Appropriated from:

Federal revenues:

Total federal revenues	158,304,100
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Special revenue funds:

Local funds - county payback	304,400
State general fund/general purpose	\$ 87,196,200

Sec. 110. PUBLIC ASSISTANCE

Full-time equated classified positions7.9

Family independence program	\$ 369,339,600
State disability assistance payments	25,418,600
Food assistance program benefits	833,011,200
State supplementation	59,668,400
State supplementation administration	2,624,200
Low-income home energy assistance program—7.9 FTE positions	116,467,700
State emergency relief	41,408,200
Weatherization assistance	15,940,800
Day care services	490,244,000
GROSS APPROPRIATION	\$ 1,954,122,700

Appropriated from:

Federal revenues:

Total federal revenues	1,407,519,000
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Special revenue funds:

Child support collections	47,710,700
Supplemental security income recoveries	5,104,800
Public assistance recoupment revenue	2,500,000
State general fund/general purpose	\$ 491,288,200

Sec. 111. INFORMATION TECHNOLOGY

Information technology services and projects	\$ 38,647,500
Child support automation	70,000,000
Client services system	10,461,100
Data system enhancement	14,087,800
GROSS APPROPRIATION	\$ 133,196,400

Appropriated from:

Interdepartmental grant revenues:

ADJUSTED GROSS APPROPRIATION	\$ 133,196,400
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Appropriated from:

Federal revenues:

Total federal revenues	85,022,500
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Special revenue funds:

Total other state restricted revenue	11,032,200
State general fund/general purpose	\$ 37,141,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2003-2004

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 2003-2004 is \$1,203,836,200.00 and state spending from state resources to be

paid to local units of government for fiscal year 2003-2004 is \$185,302,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY
CHILD AND FAMILY SERVICES

Adoption subsidies.....	\$ 79,443,500
JUVENILE JUSTICE SERVICES	
Child care fund.	104,700,000
County juvenile officers.....	2,973,200
PUBLIC ASSISTANCE	
State disability program.....	1,158,700
TOTAL.....	\$ 185,302,200

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

Sec. 203. As used in this act:

- (a) "Department" means the family independence agency.
- (b) "FTE" means full-time equated.
- (c) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.
- (d) "Title IV-D" means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 657, 658a to 660, and 663 to 669b.
- (e) "Title IV-E" means part E of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and 679b.

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) Beginning October 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 monthly to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies and policy offices on the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 207. At least 60 days before beginning any effort to privatize services, 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 9 months.

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

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced American goods or services, or both, of comparable quality are available.

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

Sec. 211. The department may receive and expend advances or reimbursements from the department of state police for the administration of the individual and family grant disaster assistance program. An account shall be established in the department for this purpose when a disaster is declared. The authorization and allotment for the account shall be in the amount advanced or reimbursed from the department of state police.

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

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

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

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

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and the senate and house fiscal agencies and policy offices and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in the local office staff and operations appropriation unit. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2004.

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

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact. Upon receipt of the notification, a joint house and senate committee made up of the members of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency may be appointed to meet with the director of the department to review the substantive, procedural, and legal ramifications of the legislative objective and to develop a plan to attain that legislative objective.

Sec. 218. (1) The department shall prepare a semiannual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the family independence agency budget and the house and senate fiscal agencies and policy offices on or before January 15, 2004 and May 15, 2004.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the family independence agency and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated.

Sec. 220. (1) In contracting with faith-based organizations for mentoring or supportive services, and in all contracts for services, the department shall ensure that no funds provided directly to institutions or organizations to provide services and administer programs shall be used or expended for any sectarian activity, including sectarian worship, instruction, or proselytization.

(2) If an individual requests the service and has an objection to the religious character of the institution or organization from which the individual receives or would receive services or assistance, the department shall provide the individual within a reasonable time after the date of the objection with assistance or services and which are substantially the same as the service the individual would have received from the organization.

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

(4) The department shall follow guidelines related to faith-based involvement established in section 104 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 42 U.S.C. 604a.

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

Sec. 223. (1) The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

(2) The department shall analyze the efficacy of centralized monthly processing of Medicaid spend-down paperwork for clients whose monthly income amount is stable. The department shall present the findings of the analysis to the senate and house appropriations subcommittees on the family independence agency, during budget deliberations, and distribute the findings to the senate and house standing committees on human services matters, senate and house fiscal agencies, and policy offices.

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

Sec. 259. (1) 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. User fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

(2) By October 15, 2003, the department shall report on the interagency agreement with the department of information technology to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

- (a) Name and description of base service.
- (b) Detail goals and objectives related to each base service.
- (c) Cost of each base service.
- (d) Time frame for implementation or completion of base service.

(3) Individual projects within the interagency agreement with a cost of \$500,000.00 or greater must be reported to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices.

(4) As used in this section, "base services" means all services to be supplied by the department of information technology that are to be purchased by the department under the provisions of the interagency agreement.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department 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. (1) The department shall consult with the house and senate appropriations subcommittees on the family independence agency regarding the planned restructuring of local offices in response to 2002 PA 93. Issues to be covered shall include service delivery structure, facility needs, and administrative support. Any plan presented shall ensure that the department provides a presence and services in every county.

(2) The department shall implement a plan resulting in a \$2,000,000.00 savings by restructuring local offices in counties with more than 10 offices. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on or before January 1, 2004 on the plan.

Sec. 264. Provided that an employee does not violate federal or state laws, breach confidentiality, violate civil service rules, or represent a formal department position without prior written authorization, the department shall ensure that all department employees, while on their personal time, are permitted to have appropriate communications with legislators and their staff.

Sec. 269. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 C.F.R. 304.50.

Sec. 270. A report required to be provided to the legislature and the state budget director under this act shall include all of the following information:

- (a) The average cost per recipient served by the program.
- (b) Information regarding how outcome achievement is measured in the program.
- (c) Information regarding the measure used to determine how the program meets the goals of safety, permanence, well-being, and independence.

Sec. 271. (1) The department shall report to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees on human services, the senate and house fiscal agencies,

the senate and house policy offices, and the state budget director on the progress of child and family services reviews (CFSR). The reviews, conducted in the state by the children's bureau of the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with the ultimate goal of improving the state child welfare system and the safety, permanency, and child and family service outcomes to children and families. The report shall be submitted quarterly beginning in December 2003.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

(a) Changes made by the courts with respect to court forms and court rules to meet the statutory requirement.

(b) Department policy changes within the areas of foster care, juvenile justice, and adoption to meet the statutory requirements.

(c) Recommendations made by a workgroup composed of department and other agency stakeholders.

(d) A summary of the 7 systemic factors that determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.

(e) A summary of the 7 data outcome indicators used to determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, including the length of time required to achieve family reunification for foster care cases.

(f) Federal recommendations made to the state, including recommendations to the courts.

(g) Federal penalties assessed against the state for noncompliance.

(h) Status of the performance improvement plan submitted to the federal government.

Sec. 272. (1) The department shall report to the senate and house appropriation subcommittees on the family independence agency, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

(a) Training programs conducted by the department and the Michigan judicial institute.

(b) Changes made by the courts on court forms and rules used in meeting the statutory requirements.

(c) Department policy changes that impact meeting the statutory requirements for foster care and adoption, including juvenile justice programs.

(d) Recommendations made by a department workgroup composed of representatives from the department and other departments and agencies.

(e) Federal recommendations submitted to the state, including recommendations to the courts.

(f) Federal penalties assessed against the state.

Sec. 273. (1) The department shall report no later than October 1, 2003 on each specific policy change made to implement enacted legislation to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees on human services, and the senate and house fiscal agencies and policy offices.

(2) On an annual basis, the department shall provide a cumulative list of all policy changes in the following areas: child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care. The list shall be distributed to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees dealing with human services, and the senate and house fiscal agencies and policy offices.

(3) Not later than July 1, 2004, the department shall report to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house fiscal agencies, and the senate and house policy offices the annual regulatory plan submitted to the office of regulatory reform pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for but for any reason chose not to submit an application.

Sec. 275. No funds appropriated in part 1 shall be used for billboard advertising unless required by federal or state regulations.

Sec. 276. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 277. Not more than 30 days after receiving a published report from the office of auditor general that states that the department has not complied with state or federal law, rule, or regulation, the department shall provide a report to

the house and senate committees having jurisdiction over the family independence agency. The report shall state the reason for the noncompliance, a corrective action plan to bring the department into compliance, and the time frame for implementing and executing the plan.

EXECUTIVE OPERATIONS

Sec. 302. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2003.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Sec. 403. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2003, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Sec. 413. (1) Contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system, \$12,700,000.00 of the refund is appropriated for the following programs in the following amounts to provide funding in addition to funds appropriated in part 1:

- (a) \$50,000.00 for community-based innovation grants for concerned citizens council for intercity youth facility.
- (b) \$1,500,000.00 for expansion of community-based innovation grants on a statewide basis.
- (c) \$1,500,000.00 for project zero and volunteer services workers.
- (d) \$1,000,000.00 for protective services workers.
- (e) \$100,000.00 for analysis of the Medicaid spend-down.
- (f) \$500,000.00 for establishment or enhancement of domestic violence supervised parenting time centers.
- (g) \$50,000.00 for the Michigan coordinated access to food for the elderly (MICAFE) program.
- (h) \$78,500.00 for a school-based crisis intervention demonstration project in Pontiac.
- (i) \$45,000.00 for 5 communities to develop young at-risk males of color networks.
- (j) \$500,000.00 for the effective family formation program.
- (k) \$650,000.00 to provide a more uniform rate structure for specialized foster care by raising the rates for private agencies whose rates are below the median.
 - (l) \$1,150,000.00 to provide a rate increase for foster care and adoption subsidies for parents and agencies.
 - (m) \$50,000.00 for the 1 church 1 child program.
 - (n) \$50,000.00 to fund a pilot program in 4 counties to offer a 6-hour to 10-hour counseling class to Medicaid eligible pregnant teens on the merits of releasing their newborn child for adoption.
 - (o) \$100,000.00 for a 3-year teen pregnancy prevention project in the Pontiac school district.
 - (p) \$100,000.00 for a homeless prevention program working with extended families of clients at risk for homelessness.
 - (q) \$1,500,000.00 to cities in Michigan with a population of more than 900,000 people and \$500,000.00 to cities in Michigan with a population of more than 150,000 people, but less than 900,000 people, for a pilot project to implement the Amer-I-Can program.
 - (r) \$3,326,500.00 for state disability assistance caseload.

(2) The funds appropriated in subsection (1) shall be considered a 1-time authority.

(3) Contingent upon the receipt of the refund mentioned in subsection (1), \$1,800,000.00 in federal title IV-E match is appropriated for the following programs in the following amounts to provide funding in addition to funds appropriated in part 1 and subsection (1):

(a) \$650,000.00 to provide a more uniform rate structure for specialized foster care by raising the rates for private agencies whose rates are below the median.

(b) \$1,150,000.00 to provide a rate increase for foster care and adoption subsidies for parents and agencies.

(4) Not later than September 30, 2004, the department shall report to the senate and house appropriations subcommittees on the family independence agency, the senate and house fiscal agencies and policy offices, and the state budget director on the use of funds provided in subsection (1) for the Amer-I-Can program.

Sec. 414. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) From the funds appropriated in part 1 for community services block grants, the department is authorized to make allocations of TANF funds only to the community action agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 415. (1) From the funds appropriated in part 1 for employment and training support services, the department shall expend \$500,000.00 in TANF to fund a fatherhood initiative program. The department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations.

The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

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

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

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

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

Sec. 416. (1) From the funds appropriated in part 1 for employment and training support services, the department may expend up to \$750,000.00 in TANF to fund a marriage initiative program. The department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

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

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

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

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

Sec. 417. (1) From the funds appropriated in part 1 for community services block grant, the department shall expend up to 3.75% to fund a bureau of community action and economic opportunity and a commission on community action and social opportunity. The bureau shall serve as a statewide advocate for social and economic opportunities for low-income individuals, and the commission shall provide an opportunity for low-income individuals to actively participate in the development of policies and programs to reduce poverty. The bureau shall contract with public agencies, nonprofit private agencies, or nonprofit organizations for demonstration programs and other services necessary to implement community social and economic programs to reduce poverty.

(2) The department shall report to the senate and house appropriation subcommittees for the family independence agency budget, the senate and house standing committees on human services matters, and the senate and house fiscal agencies on the use of the funds described in subsection (1). The report shall include all of the following:

(a) Number of full-time equated employees funded.

(b) Administrative duties performed.

(c) The relationship between duties and the bureau of community action and economic opportunity and the commission on community action and social opportunity.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, \$200,000.00 shall be appropriated to the Michigan IDA partnership to allocate to individual development account (IDA) matched savings programs serving TANF eligible households in Michigan. It is the intent of the legislature that the same amount be appropriated annually in each of the subsequent 4 fiscal years.

Sec. 419. The department in collaboration with the Michigan state university center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

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

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

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

Sec. 420. From the funds appropriated in part 1 for employment and training support services, the department shall allocate \$40,000.00 in TANF for welfare to career innovation grants to replicate the Kent County model with Cascade engineering in 4 other counties.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2004, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

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

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

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

(b) Is making progress toward completing high school.

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

Sec. 504. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but shall include revenues collected during the fiscal year in excess of the amount specified in part 1.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure in an amount not to exceed \$800,000.00.

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

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

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

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

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

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

Sec. 510. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists.

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

- (a) There is no appropriate placement available in this state.
- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
- (c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
- (d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices, by January 1, 2004, that shall include all of the following:

- (a) Statistical information including, at a minimum, all of the following:
 - (i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.
 - (ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity.
 - (iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.
- (b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

Sec. 515. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may incur costs and make payments required to finish and close out the federally approved title IV-E child welfare waiver managed care demonstration project. The department shall report to the senate and house appropriations subcommittees on the family independence agency budget and the senate and house fiscal agencies and policy offices on the outcome of the child welfare waiver managed care project. The report is due on or before August 30, 2004.

Sec. 517. (1) From the funds appropriated in part 1 for family preservation and prevention services, the department is authorized to allocate funds to multipurpose collaborative bodies to address issues raised in the Binsfeld children's commission report issued in July 1996. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) From the funds appropriated in part 1 for family preservation and prevention services, up to \$4,000,000.00 may be used to fund community-based collaborative prevention services designed to do any of the following:

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.
- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.
- (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2003-2004 direct services grants.

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

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

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

(c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.

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

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

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(2) The agencies receiving teenage parent counseling TANF funds shall report to the family independence agency on both of the following:

- (a) Whether program services have impacted the following issue areas:
 - (i) The number of teen participants having fewer repeat pregnancies.
 - (ii) The completion rate for high school diplomas or GEDs.

(iii) The teen participants' rate of self-sufficiency.

(b) How many teens participate in the programs and have access to any or all of the following services:

(i) Adult supervised, supportive living arrangements.

(ii) Pregnancy prevention services or referrals.

(iii) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.

(iv) Support services, including, but not limited to, health care, transportation, and counseling.

(v) Parenting and life-skills training.

(vi) Education, job training, and employment services.

(vii) Transition services in order to achieve self-sufficiency.

(viii) Instruction on self-protection.

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

Sec. 524. The department shall submit to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, the senate and house fiscal agencies, and the senate and house policy offices an annual report, beginning April 2, 2004, detailing the status of the prevention services program.

Sec. 531. (1) From the funds appropriated in part 1, the department may make claims for and pay to local units of government a portion of federal title IV-E revenues earned as a result of eligible costs incurred by local units of government.

(2) The department shall make payments under subsection (1) only to local units of government that have entered into formal agreements with the department. The agreement must include all of the following:

(a) Provide for the department to retain 50% of the federal revenues earned.

(b) Provide for agency review and approval of the local unit's plan for allocating costs to title IV-E.

(c) Provide for the local unit of government to submit bills at times, and in the format, specified by the department.

(d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.

(e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit that may subsequently be disallowed by the federal government.

(f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall review policies, practices, and procedures involving the annual licensing review and the annual contract compliance review conducted by the department regarding child placing agencies and child caring institutions. The review shall include efforts to identify duplication of staff activities and information sought from child placing agencies and child caring institutions in the annual review process.

(2) The department shall develop a streamlined licensing contract compliance review process, including potential for utilizing deeming status for nationally accredited agencies. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on or before April 1, 2004 on the implementation of the licensing and contract compliance review process.

Sec. 533. The family independence agency shall make payments to private nonprofit child placing facilities for title IV-E out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

Sec. 536. The family independence agency shall not implement a geographically based assignment system for foster care unless determined to be in the best interests of the foster children.

Sec. 537. (1) The department shall offer private nonprofit licensed agencies the first opportunity to provide foster care services for new foster children entering the system in a county when the department's direct care caseload for foster care is greater than 20 cases per foster care worker. This section only applies if the private nonprofit licensed agency has an available placement at the time the child needs to be placed and the placement is not contrary to the best interests of the child or the child's siblings.

(2) The department shall provide the senate and house appropriations subcommittees on the family independence agency, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director with a report on service cost similarities and differences between public and private licensed nonprofit agencies that includes all of the following:

(a) Average caseload per foster care worker.

(b) Average cost per case to the department and any other governmental agency.

(c) Range of services provided to foster care youth.

(d) A measurement of program outcomes.

(3) The department shall contract with a third party to compile and analyze the information required under subsection (2). The department shall distribute, in a quarterly report, the findings of the analysis to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees on families and human services matters, the senate and house fiscal agencies, the senate and house policy offices, and the chief justice of the Michigan supreme court.

Sec. 539. The department shall work in collaboration with representatives from private nonprofit child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the private nonprofit child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services.

Sec. 541. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 542. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2004, counties shall have an approved service spending plan for the fiscal year ending September 30, 2004. Counties must submit the service spending plan to the department by December 15, 2003 for approval.

Sec. 543. The department shall develop a comprehensive plan to provide education and training to reduce the incidences of criminal sexual conduct involving underage youth. The plan shall be designed to reach state and local law enforcement officials, schools and education agencies, health care, counseling, and pregnancy prevention services, and any other agency the department considers relevant. The department shall issue a report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director that shall contain at least all of the following:

(a) The names of the task force members or committee members, and their representative organizations, who helped develop the plan.

(b) The recommendations the department is making to each of the following:

(i) State and local law enforcement agencies.

(ii) Schools and education agencies.

(iii) Health care professionals.

(iv) Counseling agencies.

(v) Pregnancy prevention programs.

(c) The annual goals for reporting and reducing incidences of criminal sexual conduct involving underage youth.

(d) A summary of past plans and their outcomes submitted in compliance with federal guidelines.

Sec. 544. The department shall consider approval of pilot projects with applications pending for accelerated residential treatment.

Sec. 545. The department shall eliminate the current administrative freeze on approval of new specialized foster care programs.

Sec. 546. (1) The department shall continue all programs funded in fiscal year 2002-2003 included in part 1 for family preservation and prevention services. The \$8,000,000.00 reduction included in part 1 for family preservation and prevention services shall be based on an equal percentage reduction for all programs receiving funds from the line item except for the secondary prevention program for 0-3 year olds.

(2) The secondary prevention program for 0-3 year olds that receives funding from the appropriations in part 1 for family preservation and prevention services shall receive not less than the amount of funding received in fiscal year 2002-2003.

(3) The domestic violence families first collaborative programs shall be reduced by the equal percentage referred to in subsection (1) based on the programs' fiscal year 2002-2003 appropriation of \$1,300,000.00 prior to the Executive Order No. 2003-3.

PUBLIC ASSISTANCE

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall negotiate with positive billing utility companies to develop extended payment plans. Such plans shall allow clients who terminate from positive billing due to increased income to make monthly payments in order to gradually liquidate utility arrears.

(4) It is the intent of the legislature that the department review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in section 402 of title IV of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County family independence agencies shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental

security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2003 and ending September 30, 2004.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. (1) The department shall not require providers of burial services to accept state payment for indigent burials as payments in full. Each provider shall be permitted to collect additional payment from relatives or other persons on behalf of the deceased. The total in additional payments shall not exceed \$2,600.00.

(2) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. (1) From the funds appropriated in part 1 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$947.00. The funds shall be distributed as follows: \$603.00 for funeral directors; \$200.00 for cemeteries or crematoriums; and \$144.00 for the provider of the vault.

(2) On December 31, 2003, participating funeral home directors or cemeteries or crematoriums shall submit on a quarterly basis a report on a form made available by the department that includes all of the following information:

- (a) The number of indigent burials performed.
- (b) The cost of services rendered for each indigent burial performed.
- (c) The total reimbursement received from the state for indigent burials.
- (d) The amount the participating provider received from families toward indigent burials.
- (e) All other sources of reimbursement received by the participating providers shall be documented individually for indigent burials.
- (f) The percentage of total burials performed by the provider that represents indigent burials.

(3) The department shall report on an annual basis on the information received from participating providers under subsection (2). The department shall submit the report to the state budget director, the chairpersons of the senate and house appropriations committees, the chairpersons of the senate and house appropriations subcommittees on the family independence agency, the senate and house fiscal agencies, and the senate and house policy offices.

Sec. 614. The funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Sec. 616. (1) The appropriation in part 1 for the weatherization program shall be expended in such a manner that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

- (a) Family independence assistance.
- (b) State disability assistance.
- (c) Food assistance.
- (d) Supplemental security income.

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2005.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in section 115 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 21 U.S.C. 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

- (a) A third-party payee or vendor shall be required for any cash benefits provided.
- (b) An authorized representative shall be required for food assistance receipt.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 627. (1) From the funds appropriated in part 1 for day care services, the department shall contract to administer an amount not to exceed \$1,350,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

(2) From the funds appropriated in part 1 for day care services, the department shall establish an additional fund of at least \$350,000.00 for a grant pool for an "enhance quality improvement program" (EQUIP) specifically to establish new family and group home day care providers.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

- (a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.
- (b) Referral of persons so identified to counseling and supportive services.
- (c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 632. The department shall calculate the food assistance allotment for applicants who are United States citizens and who live in a household with legal immigrants in a manner that maximizes the food assistance available to these United States citizens under federal law.

Sec. 635. Within 6 business days of receiving all information necessary to process an application for payments for child day care, the family independence agency shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the family independence agency shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the family independence agency shall expend up to \$8,000,000.00 to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the family independence agency to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless shelters within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the family independence agency's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 648. From the funds appropriated in part 1 for public assistance, the department may make assistance payments to recipients beyond the 5-year limit set by the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105, providing the recipient is complying with asset, income, and participation standards set as a condition of eligibility to receive assistance and clearly demonstrates that he or she is making progress in becoming self-sufficient.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under section 6(o)(6) of the food stamp act of 1977, Public Law 88-525, 7 U.S.C. 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall continue to fund the same before- or after-school programs that received funding in FY 2002-2003 to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with independent contractors to put into practice a pilot program establishing quality before- or after-school programs for children in kindergarten to ninth grades. In order for an independent contractor to receive TANF funds, a child served must be a member of a family with an income that does not exceed 200% of the federal poverty guidelines published by the United States department of health and human services.

(3) The department shall allocate through grants or contracts up to \$8,550,000.00 in TANF funds for pilot programs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school pilot programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school pilot programs shall include, at a minimum, at least 3 of the following topics:

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Academic assistance, including assistance with reading and writing.
- (e) Preparation toward future self-sufficiency.
- (f) Leadership development.
- (g) Case management or mentoring.
- (h) Parental involvement.
- (i) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 10% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations. An independent contractor who cannot fulfill the match described in this subsection shall not be excluded from applying for a before- or after-school program contract.

(6) A referral to a pilot program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

(7) By August 30, 2004, the department before- or after-school pilot program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school pilot program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the family independence agency budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

- (a) Juvenile crime.
- (b) Aggressive behavior.
- (c) Academic achievement.
- (d) Development of new skills and interests.
- (e) School attendance and dropout rates.
- (f) Behavioral changes in school.

Sec. 660. From the funds appropriated in part 1 for food bank council activities within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 665. The department shall partner with the department of transportation to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. By February 1, 2004, the department shall report on the new transportation initiatives developed to the senate and house appropriations subcommittees on the family independence agency, senate and house standing committees on human services matters, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director.

Sec. 666. The department shall develop and implement a plan, in conjunction with the Michigan State University extension service, to increase the participation of eligible family independence program recipients in the federal earned

income tax credit. The department shall report the details of the plan to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees on human services, the senate and house fiscal agencies and policy offices, and the state budget director no later than December 31, 2003.

Sec. 667. The department may expend funds necessary to perform child day care provider background checks from fees collected.

Sec. 668. (1) In coordination with the Michigan alliance of boys and girls clubs, the department may expend up to \$250,000.00 in TANF funds to make allocations for a statewide collaborative project to develop a community-based program available to children ages 6 to 15.

(2) The department shall make allocations of TANF funds under this section only to agencies that report necessary data to the department for the purpose of meeting the TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment.

(3) The department shall grant priority in funding to programs that provide at least 10% in matching funds. The matching funds requirement shall be fulfilled through any combination of local, state, or federal funds or in-kind or other donations. A program that cannot meet the matching requirement shall not be excluded from applying for a contract.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit cards.

(2) The department shall allocate up to \$4,740,000.00 for the annual school clothing allowance. The allowance shall be granted to all eligible children 4 to 18 years of age. At least 2 weeks prior to the clothing allowance transfer, the department shall notify assistance recipients eligible for the allowance of actual and potential participating retail establishments that offer discounts under the clothing allowance program. It is the intent of the legislature that the department expand outreach to retailers encouraging them to offer discounts.

Sec. 670. It is the intent of the legislature that the funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2004 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

Sec. 671. The department may work with private nonprofit service providers to implement an Internet-based information system providing centralized benefit eligibility information and electronic application forms and application submission. This system may be used by volunteer counselors to assist users in obtaining all available public assistance.

Sec. 672. By February 1, 2004, the department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate standing committees on human services, the house and senate fiscal agencies and policy offices, and the state budget director on the department's food assistance outreach efforts.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

JUVENILE JUSTICE SERVICES

Sec. 702. Expansion of facilities funded under part 1 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 703. A juvenile adjudicated and placed in a state-operated maximum security program funded under part 1 for juvenile justice services shall not be allowed to leave the property of the maximum security facility at which the program is located except when required to leave the property for medical treatment, court appearances, or other good cause approved by the facility director. For purposes of this section, "juvenile" means that term as defined in section 115n of the social welfare act, 1939 PA 280, MCL 400.115n.

Sec. 704. New facilities funded under part 1 for juvenile justice services shall not be located within 1,500 feet of property in use for a K-12 educational program.

Sec. 705. (1) The department shall report on the W. J. Maxey facility to the house and senate appropriations subcommittees on the family independence agency budget, house and senate standing committees on human services matters, house and senate fiscal agencies and policy offices, and state budget director as part of its annual budget presentation. The report shall include the following:

(a) Population reintegration goals for juvenile justice wards including, but not limited to, the categorization of positive outcomes and recidivism by age and incarceration type.

(b) Facility media policy to ensure reinforcement and consistency with treatment plans and desired ward outcomes.

(c) Staff and resident safety.

(d) Outcome based service and treatment program plan for wards who are sex offenders or substance abusers.

(e) Facility procedure following traumatic campus occurrences such as, but not limited to, violent and sexual assaults.

- (f) Quality control process for resident service and release plans.
- (g) Findings of all federal investigations of the facility.
- (2) The department shall ensure that all juveniles coming into care receive an assessment that includes a review of dysfunctional behavior in adolescents. In addition, the department shall ensure that all treatment addresses:
 - (a) Dysfunctional family practices, such as substance abuse and domestic violence.
 - (b) Sexual harassment and gender bias.
 - (c) Cultural and ethnic sensitivity.
- (3) The department shall make a comparative analysis of public training schools and private facilities and report the analysis to the senate and house appropriations subcommittees on the family independence agency during the budget deliberations and distribute the findings to the senate and house standing committees on human services matters, the senate and house fiscal agencies, the senate and house policy offices, the state budget director, and the chief justice of the Michigan supreme court. The report shall include all of the following categories:
 - (a) Number of youths served by the facility.
 - (b) Number and type of security levels in the facility.
 - (c) Number of youths who earned a GED while at the facility.
 - (d) Recidivism rate for youths served by the facility.
 - (e) Breaches of security at the facility.
 - (f) Unique characteristics of the facility's program.
 - (g) Academic levels for youths served by the facility at intake and on discharge.
 - (h) Standardized psychological assessment scores for youths served by the facility at intake and on discharge.
 - (i) Program achievement outcomes.

Sec. 706. Counties shall be subject to 50% charge back for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 713. (1) The department shall work cooperatively with judiciary and with the departments of community health and career development to coordinate and improve the delivery of mental health and substance abuse treatment and education and training services to individuals leaving the juvenile justice system, especially those aging out of the system identified as continuing to pose a serious risk to themselves or others.

(2) As required by section 18 of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.18, juveniles committed to an institution operated by the department shall receive medical, dental, surgical, or other health care as necessary. The Medicaid reimbursable rate scale shall be used as the standard for allowable charges for services rendered. The family independence agency shall reimburse providers for the actual charges less than or equal to the Medicaid reimbursable rate scale for each service provided.

Sec. 714. (1) The family independence agency shall provide technical assistance for counties to develop information networks including, but not limited to, serious habitual offenders comprehensive action program (SHOCAP), juvenile justice on-line technology (JJOLT), and juvenile violent reporting system (JVRS).

(2) The department shall assist counties in identifying funding sources for the networks, including, but not limited to, the child care fund and the juvenile accountability incentive block grant.

(3) The local units of government shall report to the department on expenditures of their juvenile justice information networks in concert with their requests for reimbursement from the child care fund.

(4) The department shall provide during budget deliberation hearings the compilation of reports from the local units of government.

Sec. 715. (1) It is the intent of the legislature that the primary function of the juvenile justice system shall be to promote the protection of individuals and communities through the reduction of juvenile crime.

(2) Based on the recommendations of the 2001 joint house and senate task force on juvenile justice, the department shall present the early intervention initiatives demonstrating the principles at the annual balanced and restorative justice conference in May 2003. The early intervention shall include, but not be limited to, the following:

(a) Mentoring programs that focus on improving communication and collaboration, encourage quality mentoring programs, recruitment of mentors, and increasing public awareness of and participation in programs for at-risk youth.

(b) Discussion of programs relating to juvenile information networks as an Internet-based communication tool that assists with case management of juvenile offenders in the area.

(c) Discussion of the possibility of implementing a program modeled after the "Wisconsin citizenship initiative" to collaborate with the before- or after-school programs offered under the authority of this act.

(d) Exploration of the option of a summit conducted via the Internet to discuss measures relating to the prevention and intervention of at-risk youth.

(e) Discussion of California's "8% early intervention" program that focuses on aggressive early intervention and treatment of young, high at-risk juvenile offenders and their families.

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

(i) A report on the initiatives discussed at the balanced and restorative justice conference described in this section will be given to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees dealing with human services, the senate and house fiscal agencies, and the policy offices no later than October 30, 2003.

Sec. 716. (1) The department shall make available the excess property located at the W. J. Maxey facility and pursue the sale of this property.

(2) Contingent upon the receipt of funds from the sale of property in subsection (1), a total of \$5,000,000.00 is appropriated for salaries and wages and contractual services, supplies, and materials within the executive operations unit, in addition to the funds appropriated in part 1.

(3) The sale of the property described in this section shall be conducted in a manner to realize the highest price for the sale and the highest return to the state. The sale of this property shall be done in an open manner that uses 1 or more of the following:

(a) A competitive sealed bid.

(b) Oral bid.

(c) Public auction.

(d) Use of broker services. Broker services for the sale of this property shall only be used if there are 3 or more bidders for this property. The minimum selling price for the property shall be the higher value of either its fair market value or the result of a professional concept plan value as determined by a real estate professional qualified to make such valuations. This real estate professional shall be selected through a request for proposal and competitive bid process.

(4) A notice of a sealed or oral bid, public auction sale, or use of broker negotiation services, regarding the property described in this section shall be published at least once in a newspaper as defined in section 1461 of the revised judicature act of 1961, 1961 PA 236, MCL 600.1461, not less than 10 days before the sale. The newspaper shall be one that is published in the county where the property is located. If a newspaper is not published in the county where the property is located, the notice shall be published in a newspaper in a county nearest to the county in which the property is located. A notice shall describe the general location of the property and the date, time, and place of the sale.

LOCAL OFFICE SERVICES

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations and hospitals in the same locations and at staffing levels no less than in fiscal year 2002-2003.

DISABILITY DETERMINATION SERVICES

Sec. 801. The family independence agency disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and determine eligibility of medical disability retirement for state employees, state police, judges, and school teachers.

CHILD SUPPORT ENFORCEMENT

Sec. 901. (1) From the federal money received for child support incentive payments, up to \$15,397,400.00 shall be retained by the state and expended for legal support contracts and child support program expenses.

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the state court administrative office and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 2000, the total amount paid to counties shall be no less than the total amount paid for federal performance incentives in fiscal year 2001.

(3) At the end of the current fiscal year, the department may, if it is cost beneficial to the state and counties, withhold from submitting to the federal office of child support administrative expenses eligible for federal financial participation. The department may recoup earned but unclaimed federal funds from the resulting increased federal child support incentive. The recoupment by the department shall be made prior to distribution of the increased incentive to the counties. Any incentive funds retained by the state under this section shall be separate and apart from incentive funds retained in any other section of this act.

(4) A county shall not be penalized due to the failure to comply with federal child support enforcement system requirements if the department determines that all of the following conditions are met:

(a) The county, friend of the court, and the department have a written agreement that outlines the county's commitment to participate in the system.

(b) The county and the friend of the court are fully and timely cooperating with the work plan outlined in the child support enforcement memorandum of understanding between the department and the county.

(c) The county and the friend of the court are implementing the child support enforcement system required for federal certification.

(d) The friend of the court and county prosecuting attorney's office use the statewide system upon availability to monitor and process title IV-D cases.

(5) In addition to the amount specified in subsection (1), the family independence agency may retain any federal title IV-D incentive payment revenues withheld from counties pursuant to the imposition of financial penalties, and may use the federal revenues retained for any child support program purpose.

(6) For the purpose of providing title IV-D child support enforcement funding, the department, as the IV-D agency, shall, within 30 days of the passage of this act, enter into a cooperative agreement with the state attorney general for IV-D funding to support the child support enforcement activities of the office of the attorney general. The department to the extent possible under federal law shall provide to the office of the attorney general any information used by the office of child support enforcement to locate parents who fail to pay court-ordered child support, to collect child support, or to enforce child support orders.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2002-2003

Sec. 1001. (1) In addition to the funds appropriated in 2002 PA 529, there is appropriated up to \$16,085,700.00 contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system and upon certification from the state budget director that the funds are available for expenditure. Of this amount, up to: \$8,785,700.00 may be used for the child support enforcement system; \$4,300,000.00 may be used for family independence program caseload, state disability assistance, and child care fund costs; and \$3,000,000.00 may be used to fund the transitional work support program.

(2) The funds appropriated in subsection (1) shall be considered 1-time authority.

REPEALERS

Sec. 1002. Section 413 of 2002 PA 529 is repealed.

Second: 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 family independence agency and certain state purposes related to public welfare services for the fiscal years ending September 30, 2003 and September 30, 2004; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers; and to repeal acts and parts of acts.

Bill Hardiman
Thomas M. George
Martha G. Scott
Conferees for the Senate

Jerry Kooiman
Jacob Hoogendyk, Jr.
Chris Kolb
Conferees for the House

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

Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the conference report,

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

Roll Call No. 375

Yeas—37

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

Nays—0

Excused—0

Not Voting—1

Emerson

In The Chair: Sanborn

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.

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

Senator Brown submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning Senate Bill No. 277, entitled

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for the testing of certain persons; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

Recommends:

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

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for the testing of certain persons; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of state police for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF STATE POLICE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	3.0	
Full-time equated classified positions	2,987.0	
GROSS APPROPRIATION		\$ 460,898,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		17,885,100
ADJUSTED GROSS APPROPRIATION		\$ 443,013,800
Federal revenues:		
Total federal revenues		103,892,300
Special revenue funds:		
Total local revenues		4,506,600
Total private revenues		10,000
Total other state restricted revenues		86,963,400
State general fund/general purpose		\$ 247,641,500

For Fiscal Year
Ending Sept. 30,
2004

Sec. 102. EXECUTIVE DIRECTION	
Full-time equated unclassified positions	3.0
Full-time equated classified positions	36.0
Unclassified positions	\$ 258,500
Executive direction—29.0 FTE positions	3,148,900
Auto theft prevention program—7.0 FTE positions	7,065,000
GROSS APPROPRIATION	\$ 10,472,400
Appropriated from:	
Special revenue funds:	
Auto theft prevention fund	7,065,000
State general fund/general purpose	\$ 3,407,400
Sec. 103. DEPARTMENTWIDE APPROPRIATIONS	
Special maintenance and utilities	\$ 479,400
Rent and building occupancy charges	8,216,000
Worker's compensation	3,174,000
Fleet leasing	15,169,200
In-service training	850,000
Narcotics investigation funds	265,000
GROSS APPROPRIATION	\$ 28,153,600
Appropriated from:	
Interdepartmental grant revenues:	
IDT, Michigan justice training fund	850,000
Federal revenues:	
Federal narcotics investigation revenues	95,000
Special revenue funds:	
Narcotics investigation revenues	170,000
State general fund/general purpose	\$ 27,038,600
Sec. 104. SUPPORT SERVICES	
Full-time equated classified positions	130.0
Human resources—34.0 FTE positions	\$ 2,183,800
Management services—46.0 FTE positions	3,416,000
Training administration—41.0 FTE positions	4,544,200
Communications—9.0 FTE positions	5,968,300
GROSS APPROPRIATION	\$ 16,112,300
Appropriated from:	
Interdepartmental grant revenues:	
IDT, auto theft funds	21,000
IDG, training academy charges	2,726,400
Special revenue funds:	
Local - LEIN fees	31,900
Precision driving track fees	264,100
Narcotics investigation revenues	40,600
Motor carrier fees	125,500
State general fund/general purpose	\$ 12,902,800
Sec. 105. HIGHWAY SAFETY PLANNING	
Full-time equated classified positions	23.0
State program planning and administration—12.0 FTE positions	\$ 1,111,000
Grants to local governments and nonprofit organizations	4,500,000
Secondary road patrol program—1.0 FTE position	14,006,600
Truck safety program—2.0 FTE positions	2,983,800
Highway traffic safety coordination—8.0 FTE positions	5,949,700
GROSS APPROPRIATION	\$ 28,551,100
Appropriated from:	
Federal revenues:	
DOT	10,492,000
DOJ	560,000

	For Fiscal Year Ending Sept. 30, 2004
Special revenue funds:	
Truck driver safety fund.....	\$ 2,983,800
Secondary road patrol and training fund.....	14,006,600
State general fund/general purpose	\$ 508,700
Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER	
Full-time equated classified positions	94.0
Criminal justice information center division—77.0 FTE positions.....	\$ 7,248,900
Criminal records improvement—1.0 FTE position.....	4,726,200
Traffic safety—16.0 FTE positions	1,510,800
GROSS APPROPRIATION	\$ 13,485,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOS.....	315,900
IDG-MDOT, state trunkline fund	336,900
Federal revenues:	
DOJ	4,726,200
DOT	388,500
Special revenue funds:	
Criminal justice information center service fees	5,954,300
State general fund/general purpose	\$ 1,764,100
Sec. 107. FORENSIC SCIENCES	
Full-time equated classified positions	207.0
Laboratory operations—175.0 FTE positions.....	\$ 16,978,100
DNA analysis program—32.0 FTE positions	7,393,800
GROSS APPROPRIATION	\$ 24,371,900
Appropriated from:	
Federal revenues:	
DOJ	3,442,900
Special revenue funds:	
Forensic science reimbursement fees	1,626,400
State forensic laboratory fund.....	1,500,000
State general fund/general purpose	\$ 17,802,600
Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS	
Full-time equated classified positions	28.0
Standards and training—22.0 FTE positions	\$ 2,174,800
Training only to local units—2.0 FTE positions	690,000
Concealed weapons enforcement training	140,000
Officer’s survivor tuition program.....	48,800
Justice training grants—4.0 FTE positions.....	9,032,000
GROSS APPROPRIATION	\$ 12,085,600
Appropriated from:	
Federal revenues:	
DOJ	360,000
Special revenue funds:	
Secondary road patrol and training fund.....	690,000
Concealed weapons enforcement fee.....	140,000
Michigan justice training fund	9,032,000
Licensing fees.....	50,000
State general fund/general purpose	\$ 1,813,600
Sec. 109. FIRE MARSHAL	
Full-time equated classified positions	49.0
Fire marshal programs—40.0 FTE positions.....	\$ 3,832,000
Fire investigation training to locals.....	50,500
Fire fighters training council—9.0 FTE positions	1,558,600
GROSS APPROPRIATION	\$ 5,441,100

	For Fiscal Year Ending Sept. 30, 2004
Appropriated from:	
Federal revenues:	
FEMA	\$ 150,000
DOT	85,000
State general fund/general purpose	\$ 5,206,100
Sec. 110. EMERGENCY MANAGEMENT	
Full-time equated classified positions	49.0
Emergency management planning and administration—32.0 FTE positions	\$ 2,869,000
Grants to local government	2,182,100
FEMA program assistance—3.0 FTE positions	962,300
Nuclear power plant emergency planning—6.0 FTE positions	1,209,200
Hazardous materials transportation—1.0 FTE position	579,200
Hazardous materials programs—7.0 FTE positions	61,583,800
GROSS APPROPRIATION	\$ 69,385,600
Appropriated from:	
Federal revenues:	
FEMA	4,664,100
DOT	579,200
DOJ	60,000,000
Special revenue funds:	
Nuclear plant emergency planning reimbursement	1,209,200
Hazardous materials training center fees	1,253,800
State general fund/general purpose	\$ 1,679,300
Sec. 111. UNIFORM SERVICES	
Full-time equated classified positions	1,720.0
Uniform services—555.0 FTE positions	\$ 46,581,700
Security guards—15.0 FTE positions	899,100
Reimbursed services	1,983,000
At-post troopers—1,150.0 FTE positions	110,185,300
GROSS APPROPRIATION	\$ 159,649,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDMB, building occupancy charges	610,100
Federal revenues:	
DOJ	1,500,000
Special revenue funds:	
Highway safety fund	13,284,700
Traffic law enforcement and safety fund	20,000,000
State police service fees	1,983,000
State general fund/general purpose	\$ 122,271,300
Sec. 112. SPECIAL OPERATIONS	
Full-time equated classified positions	50.0
Operational support—35.0 FTE positions	\$ 2,776,200
Traffic services—10.0 FTE positions	3,091,100
Aviation program—5.0 FTE positions	1,498,600
GROSS APPROPRIATION	\$ 7,365,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOC, contract	77,200
Federal revenues:	
DOT	1,500,000
Special revenue funds:	
Private donations	10,000
Rental of department aircraft	159,300
Drunk driving prevention and training fund	969,700
State general fund/general purpose	\$ 4,649,700

For Fiscal Year
Ending Sept. 30,
2004

Sec. 113. CRIMINAL INVESTIGATIONS

Full-time equated classified positions	401.0	
Criminal investigations—298.0 FTE positions		\$ 30,640,600
Federal antidrug initiatives—62.0 FTE positions		10,077,200
Reimbursed services, materials, and equipment		2,532,900
Auto theft prevention—9.0 FTE positions.....		1,366,000
Casino gaming oversight—32.0 FTE positions		3,513,000
GROSS APPROPRIATION		\$ 48,129,700

Appropriated from:

Interdepartmental grant revenues:

IDT, auto theft funds.....		1,104,000
IDG-MDTR, casino gaming fees.....		3,513,000
IDG-MDCH, tobacco tax		610,000

Federal revenues:

Federal investigations - reimbursed services		719,700
DOJ		7,506,700
Federal narcotics investigation revenues		380,800

Special revenue funds:

Local - reimbursed services		1,813,200
Narcotics investigation revenues		543,000
Forfeiture funds		269,500
State general fund/general purpose	\$	31,669,800

Sec. 114. MOTOR CARRIER ENFORCEMENT

Full-time equated classified positions	200.0	
Motor carrier enforcement—124.0 FTE positions		\$ 8,725,900
Truck safety enforcement team operations—15.0 FTE positions.....		1,132,100
Safety inspections—43.0 FTE positions.....		6,928,500
School bus inspections—14.0 FTE positions		1,146,300
Safety projects—4.0 FTE positions.....		1,170,100
GROSS APPROPRIATION		\$ 19,102,900

Appropriated from:

Interdepartmental grant revenues:

IDT, truck safety fund.....		1,132,100
IDG-MDOT, state trunkline fund		6,483,200

Federal revenues:

DOT		6,712,600
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Special revenue funds:

Motor carrier fees		3,628,700
State general fund/general purpose	\$	1,146,300

Sec. 115. INFORMATION TECHNOLOGY

Information technology services and projects		\$ 18,591,800
GROSS APPROPRIATION		\$ 18,591,800

Appropriated from:

Interdepartmental grant revenues:

IDT-MDTR, casino gaming fees		72,100
IDG-MDOT, state trunkline fund		33,200

Federal revenues:

DOT		29,600
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Special revenue funds:

Local - LEIN fees		2,628,500
Local - AFIS fees.....		33,000
Motor carrier fees		14,200
State general fund/general purpose	\$	15,781,200

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 2003-2004 is \$334,604,900.00 and state spending from state resources to be paid

to local units of government for fiscal year 2003-2004 is \$20,302,758.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE

OFFICE OF HIGHWAY SAFETY PLANNING

Secondary road patrol program	\$ 13,881,500
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COMMISSION ON LAW ENFORCEMENT STANDARDS

Training only to local units	\$ 522,500
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Justice training grants	5,575,258
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FIRE MARSHAL

Fire fighters training council.....	\$ 273,000
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Fire investigation training for locals	50,500
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Total.....	\$ 20,302,758
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Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

- (a) "AFIS" means the automated fingerprint identification system.
- (b) "Department" means the department of state police.
- (c) "DNA" means deoxyribonucleic acid.
- (d) "DOJ" means the United States department of justice.
- (e) "DOT" means the United States department of transportation.
- (f) "FEMA" means the federal emergency management agency.
- (g) "FTE" means full-time equated.
- (h) "IDG" means interdepartmental grant.
- (i) "IDT" means intradepartmental transfer.
- (j) "LEIN" means law enforcement information network.
- (k) "MCOLES" means the Michigan commission on law enforcement standards.
- (l) "MDCH" means the Michigan department of community health.
- (m) "MDMB" means the Michigan department of management and budget.
- (n) "MDOC" means the Michigan department of corrections.
- (o) "MDOS" means the Michigan department of state.
- (p) "MDOT" means the Michigan department of transportation.
- (q) "MDTR" means the Michigan department of treasury.

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) Beginning October 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 by the last business day of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the justification for the exception.

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

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

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

Sec. 211. It is the intent of the legislature that personnel of the department who request and are eligible for reimbursement of expenses related to the operation of the department be reimbursed from the appropriations provided in this act within 30 days after submitting a request, or the eligible personnel shall be paid an additional amount equal to 0.75% of the payment due. The department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

Sec. 212. Of the state general fund/general purpose revenue appropriated in this act, \$35,436,700.00 represents a state spending increase over the amount provided to the department of state police for the fiscal year ending September 30, 1994, and may be used to meet state match requirements of programs contained in the violent crime control and law enforcement act of 1994, Public Law 103-322, 108 Stat. 1796, or successor grant programs, so that any additional federal money received supplements funding provided to the department of state police in this act.

Sec. 213. (1) It is the intent of the legislature that the department shall not provide any subsidy for contractual services it provides.

(2) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services, including, but not limited to, retirement and overtime costs.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to state agencies.

Sec. 214. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 215. Not later than March 15, 2004 and September 30, 2004, the department shall report to the state police appropriations subcommittees of the house and senate and the house and senate fiscal agencies. The report shall contain the following information regarding the department's activities related to casino gaming oversight:

(a) The amount of money received and expended.

(b) The nature and structure of the casino gaming oversight unit.

(c) The positions and classifications of employees assigned.

(d) The number of full-time and part-time employees and the aggregate number of FTEs.

(e) The number of enlisted and civilian positions.

(f) The duties and responsibilities of the assigned employees.

(g) The immediate past position of the enlisted employees assigned.

Sec. 216. The department shall collect and computerize the vehicle identification number (VIN) of all vehicles that are entered into the state accident data collection system and make this and other vehicle information available to the public at cost. For bulk access to the accident records in which the VIN has been collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

Sec. 217. From the funds appropriated in part 1, the department shall maintain a toll-free hotline in collaboration with the department of education. The toll-free hotline shall be operated 24 hours per day, 7 days per week, and shall provide students, school officials, and other individuals an opportunity to report specific threats of imminent school violence or other suspicious or criminal conduct by juveniles to the appropriate local law enforcement entities for investigation. The department may expend funds for the promotion of the hotline.

Sec. 218. (1) Funds appropriated in part 1 for at-post troopers shall only be expended for trooper salaries, wages, benefits, retirement, equipment, supplies, and other expenses directly related to state troopers assigned to general law enforcement duties at a department post, detachment, satellite office, or a resident trooper function.

(2) From the funds appropriated in part 1 for at-post troopers, 1 or more trooper recruit schools shall be conducted during fiscal year 2003-2004 with the goal of maintaining at-post trooper strength of at least 1,075.

(3) The department shall submit a written report to the senate and house appropriations subcommittees on state police and military affairs no later than November 15, 2003, detailing the status of the department's plan for accomplishing the goal of subsection (2). If the department determines that insufficient funding exists under part 1 for at-post troopers or any other budget line to accomplish the goal of subsection (2), the department shall submit a plan outlining the additional funding necessary to accomplish the goal of subsection (2).

(4) The department shall take steps to establish a deferred retirement option plan (DROP) for troopers to extend the years in which a trooper stays in at-post service beyond his or her eligible retirement date and to obtain a cost savings on annual employee retirement benefit payments. The establishment of the deferred retirement option plan (DROP) may be utilized to help achieve the at-post trooper strength goal prescribed in subsection (2).

Sec. 219. The department of state police shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies not less than 180 days before recommending to close or consolidate any state police posts.

Sec. 220. The department of state police, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement

resources or are seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to the city of Highland Park until adequate law enforcement services can be provided to the city of Highland Park by other means.

Sec. 221. Of the funds appropriated in part 1 for rent and building occupancy charges, funds shall be used for the necessary rental costs for a state police post in Marshall.

INFORMATION TECHNOLOGY

Sec. 301. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the service and contract maintenance costs of the LEIN mainframe computer system.

Sec. 302. 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. User fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 303. 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. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and house appropriations committees not later than April 1, 2004.

Sec. 305. The criminal justice information systems policy council shall encourage members of the law enforcement agencies in the state to be sensitive to, and note when necessary, activities or circumstances that may suggest the unauthorized access or misuse of information from the LEIN system. The criminal justice information systems policy council shall advise LEIN auditors, as a part of their audit of law enforcement agencies, to investigate in depth all suspected incidents of improper access or improper use of information from the LEIN system and determine whether or not those incidents were illegal. In those incidents that may be determined to be illegal, the executive secretary for the council shall determine whether those incidents were of a negligent or criminal nature. If an incident is determined to be an illegal act, the council shall inform the chairs of both the senate and house appropriations committees.

Sec. 306. (1) The department of state police, working with the criminal justice information system policy council, shall implement procedures by which all probation information is placed on the LEIN system. The LEIN system shall include information on each probationer, including any probation conditions placed on a probationer and the name of the probation officer assigned to a probationer. The LEIN system shall also include any nonstandard probation terms.

(2) If the department determines that amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are required to include all probation information on the LEIN system, the department shall deliver to members of the senate and house appropriations subcommittees on state police and military affairs amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, that, in the department's view, are necessary to accomplish this goal. These proposed amendments shall be delivered to subcommittee members not later than December 1, 2003.

HIGHWAY SAFETY PLANNING

Sec. 401. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on state police and military affairs on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purposes of supporting the secondary road patrol grant program. Each quarterly report shall contain updated information on collection levels, revised projected grant allotments to counties for the year, a comparison of projected collections and grant distribution levels with the funds appropriated in part 1 for the secondary road patrol program, and the extent collection levels have exceeded or failed to meet appropriated levels for the current fiscal year or expenditure levels from the previous fiscal year.

FORENSIC SCIENCES

Sec. 501. (1) The department shall distribute a copy of the department's protocol for retaining and purging DNA analysis samples and records to each police agency in this state.

(2) The department shall report to the house and senate appropriations subcommittees on state police and military affairs and the house and senate fiscal agencies when any changes to the department's DNA protocol are made.

Sec. 502. The department shall work with the department of community health, 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.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 601. The money appropriated to the MCOLES for maintenance and delivery of training to locals is provided in accordance with a state reimbursement policy in which 100% of the determined state reimbursement rate shall be distributed upon certification by the MCOLES.

Sec. 602. From the appropriations in part 1 for the training of new state troopers and other new police officers in the state and for the continuing education of all law enforcement officers in the state, sufficient funds shall be used to include curricula on the content and application of federal firearms laws, including the procedures necessary for law enforcement to turn appropriate cases over to the federal bureau of alcohol, tobacco, and firearms or any other applicable federal criminal justice agency.

FIRE MARSHAL

Sec. 701. (1) The department shall prepare a detailed report and deliver it to the senate and house subcommittees on the state police not later than January 15, 2004.

(2) The report shall contain input from a delegate appointed from and by the following organizations:

- (a) Michigan fire chiefs association.
- (b) Michigan state fireman's association.
- (c) Michigan firefighter's union.
- (d) Michigan fire service instructors association.
- (e) Michigan fire inspectors society.
- (f) Michigan chapter of the international association of arson investigators.

(3) The report shall contain information about the quality and adequacy of service from the state fire investigation, education, and training under the reorganization of the fire marshal division responsibilities. The report shall be based on the performance of the fire marshal division in the performance of its fire safety duties during fiscal year 2002-2003.

EMERGENCY MANAGEMENT

Sec. 801. (1) The state director of emergency management may expend money appropriated under this act to call upon any agency or department of the state or any resource of the state to protect life or property or to provide for the health or safety of the population in any area of the state in which the governor proclaims a state of emergency or state of disaster under 1945 PA 302, MCL 10.31 to 10.33, or under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director as soon as possible a complete report of all actions taken under the authority of this section. The report shall contain, as a separate item, a statement of all money expended that is not reimbursable from federal money. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(2) In addition to the money appropriated in this act, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 802. The department shall not make any purchases related to a statewide emergency management computer network unless authorized to do so by the director of the department of information technology.

UNIFORM SERVICES

Sec. 901. State police enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations, and are responsible for protecting every citizen of this state from harm.

SPECIAL OPERATIONS

Sec. 1001. In addition to the appropriations in section 112 to the department of state police for the aviation program, the department is authorized to sell its aircraft and the proceeds from the sale are appropriated and may be applied to the renovation cost of replacement aircraft. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 1002. Money privately donated to the department's canine unit is appropriated under section 112 to purchase equipment and other items to enhance the operation of the canine unit. It is the intent of the legislature that money from private donations for the canine unit not supplant general fund appropriations.

CRIMINAL INVESTIGATIONS

Sec. 1101. (1) There is sufficient money appropriated in section 113 to criminal investigations to ensure that the citizens in a service area of any state police post in the vicinity of a state prison do not experience a downgrading of state police services in their area. Criminal investigations shall be available by temporary or permanent assignment of a detective when either a temporary or permanent prison facility is opened.

(2) If the department is unable to comply with subsection (1) and there is a prison scheduled to open, the department shall provide troopers to serve as investigators on an interim basis.

MOTOR CARRIER ENFORCEMENT

Sec. 1201. (1) The department shall report to the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies by March 1, 2004 regarding the inspection of school buses and other motor vehicles under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The report shall include the following information regarding inspections conducted in calendar year 2003:

- (a) The number of buses and vehicles inspected by the department.
- (b) The number of buses and vehicles passing and failing inspection.
- (c) The estimated number of buses and vehicles not inspected.

(2) If each school bus within a school system receives a 100% successful state inspection on its first inspection in a given year, the department shall award a certificate to that school system.

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

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for the testing of certain persons; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

Cameron Brown
Tony Stamas
Hansen Clarke
Conferees for the Senate

Sandy Caul
David Farhat
Carl Williams
Conferees for the House

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

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

The question being on the adoption of the conference report,

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

Roll Call No. 376

Yeas—37

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

Nays—0

Excused—1

Not Voting—0

In The Chair: Sanborn

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.

Senator Brown submitted the following:

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 the department of military and veterans affairs for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Recommends:

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

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

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	1,072.0	
GROSS APPROPRIATION		\$ 103,097,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 200,000
ADJUSTED GROSS APPROPRIATION		\$ 102,897,500
Federal revenues:		
Total federal revenues		40,627,900
Special revenue funds:		
Total local revenues		0
Total private revenues		1,270,700
Total other state restricted revenues		23,800,100
State general fund/general purpose		\$ 37,198,800

Sec. 102. HEADQUARTERS AND ARMORIES

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	140.0	
Headquarters and armories—99.5 FTE positions		\$ 8,941,200
Unclassified military personnel.....		660,300
Military appeals tribunal.....		900
Michigan emergency volunteers.....		5,000
State active duty.....		70,100
Challenge program—40.5 FTE positions		3,296,900
GROSS APPROPRIATION		\$ 12,974,400

	For Fiscal Year Ending Sept. 30, 2004
Appropriated from:	
IDG-challenge grant.....	\$ 200,000
Federal revenues:	
DOD-DOA-NGB.....	3,542,500
Special revenue funds:	
Rental fees.....	350,000
Mackinac Bridge authority.....	40,000
Private donations.....	845,700
State general fund/general purpose.....	\$ 7,996,200
Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES	
Full-time equated classified positions229.0	
Military training sites and support facilities—229.0 FTE positions.....	\$ 14,860,200
Military training sites and support facilities test projects.....	100,000
GROSS APPROPRIATION.....	\$ 14,960,200
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	12,140,400
Special revenue funds:	
Test project fees.....	100,000
State general fund/general purpose.....	\$ 2,719,800
Sec. 104. DEPARTMENTWIDE APPROPRIATIONS	
Departmentwide accounts.....	\$ 1,741,100
Special maintenance - state.....	351,200
Special maintenance - federal.....	4,300,000
Military retirement.....	2,500,000
Counternarcotic operations.....	50,000
Starbase grant.....	600,000
GROSS APPROPRIATION.....	\$ 9,542,300
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	6,170,600
Federal counternarcotic revenues.....	50,000
Special revenue funds:	
State general fund/general purpose.....	\$ 3,321,700
Sec. 105. VETERANS SERVICE ORGANIZATIONS	
American legion.....	\$ 886,000
Disabled American veterans.....	732,400
Marine corps league.....	336,300
American veterans of World War II and Korea.....	464,800
Veterans of foreign wars.....	886,000
Michigan paralyzed veterans of America.....	165,700
Purple heart.....	157,900
Veterans of World War I.....	100
Polish legion of American veterans.....	41,200
Jewish veterans of America.....	41,200
State of Michigan council Vietnam veterans of America.....	159,500
Catholic war veterans.....	41,200
GROSS APPROPRIATION.....	\$ 3,912,300
Appropriated from:	
State general fund/general purpose.....	\$ 3,912,300
Sec. 106. GRAND RAPIDS VETERANS' HOME	
Full-time equated classified positions536.0	
Grand Rapids veterans' home—536.0 FTE positions.....	\$ 42,096,700
Board of managers.....	300,000
GROSS APPROPRIATION.....	\$ 42,396,700

For Fiscal Year
Ending Sept. 30,
2004

Appropriated from:	
Federal revenues:	
DVA-VHA	\$ 13,050,600
HHS-Medicaid	350,600
HHS-Medicare	689,100
Special revenue funds:	
Private - veterans' home post and posthumous funds	300,000
Income and assessments	14,146,600
Lease revenue	35,000
State general fund/general purpose	\$ 13,824,800
Sec. 107. D.J. JACOBETTI VETERANS' HOME	
Full-time equated classified positions	151.0
D.J. Jacobetti veterans' home—151.0 FTE positions	\$ 12,945,600
Board of managers	125,000
GROSS APPROPRIATION	\$ 13,070,600
Appropriated from:	
Federal revenues:	
DVA-VHA	3,867,100
HHS-Medicare	206,600
Special revenue funds:	
Private - veterans' home post and posthumous funds	125,000
Income and assessments	4,191,500
State general fund/general purpose	\$ 4,680,400
Sec. 108. VETERANS' AFFAIRS DIRECTORATE	
Full-time equated classified positions	16.0
Veterans' affairs directorate administration—3.0 FTE positions	\$ 294,200
Veterans' trust fund administration—13.0 FTE positions	1,030,000
Veterans' trust fund grants	3,746,500
GROSS APPROPRIATION	\$ 5,070,700
Appropriated from:	
Special revenue funds:	
Michigan veterans' trust fund	4,776,500
State general fund/general purpose	\$ 294,200
Sec. 109. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 1,170,300
GROSS APPROPRIATION	\$ 1,170,300
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB	416,900
DVA-VHA	135,700
HHS-Medicare	7,800
Special revenue funds:	
Income and assessments	160,500
State general fund/general purpose	\$ 449,400

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 2003-2004 is \$60,998,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$120,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

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

Payments in lieu of taxes	\$ 70,000
MICHIGAN VETERANS' TRUST FUND	
County counselor travel expenses	\$ 50,000
TOTAL	\$ 120,000

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

Sec. 203. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (e) "DVA" means the United States department of veterans' affairs.
- (f) "DVA-VHA" means the DVA veterans' health administration.
- (g) "FTE" means full-time equated.
- (h) "HHS" means the United States department of health and human services.
- (i) "IDG" means interdepartmental grant.

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) Beginning October 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 by the last business day of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the justification for the exception.

Sec. 207. Sixty 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 act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

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

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

Sec. 212. (1) Of the funds appropriated in section 103 for military training sites and support facilities, there shall be established a Michigan national guard education assistance program. Disbursements to the educational assistance program shall not exceed \$1,300,000.00 without legislative approval. Under the program, a member of the national guard who is in active service and who enrolls as a full- or part-time student at a public or private state college or university may be eligible to receive up to an equivalent of 50% of the total cost of tuition not to exceed \$2,000.00, as education assistance, in any academic year.

(2) As used in this section, an eligible person means a member of the Michigan national guard who is in active service, as defined in section 105 of the Michigan military act, 1967 PA 150, MCL 32.505. An eligible person does not include a member of the Michigan national guard or air national guard who is absent without leave or who is under charges as described in the Michigan code of military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

(3) The department of military and veterans affairs, office of the adjutant general shall administer the education assistance program and prescribe forms and procedures to effectively carry out the education assistance program.

(4) An eligible person shall apply to the department of military and veterans affairs, office of the adjutant general for education assistance and shall provide evidence of attendance and completion of the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent. The adjutant general shall approve the application for reimbursement if the applicant meets the definition of an eligible person under subsection (2) and other criteria as established by the adjutant general.

(5) The education assistance program applies to any course of instruction that is included in an associate, undergraduate, or postgraduate degree program offered by a college or university of this state.

(6) The education assistance program applies to an eligible person notwithstanding any other educational incentive or benefit received by the eligible person under any other educational assistance program provided by any other state.

(7) An eligible person who successfully completes the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent, shall be eligible for reimbursement.

(8) The department of military and veterans affairs may use funds from the appropriated funds to administer the education assistance program.

(9) Reimbursed members who do not complete their national guard obligation shall pay the state for money received from the state for tuition. Members who fail to repay the state within the time limits established by the adjutant general shall be indebted to the state. The department shall work in conjunction with the department of treasury for inclusion in the tax intercept program for amounts due the state.

(10) A portion of the funds for the Michigan national guard education assistance program may be used by the department for the purpose of promoting the program and for encouraging those persons the department wishes to have enlist or reenlist in the Michigan national guard.

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

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

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

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

HEADQUARTERS AND ARMORIES

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

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

(2) It is the intent of the legislature that the department make every effort to identify alternative sources of revenue to replace the \$1,340,700.00 in state general fund/general purpose funding provided in this act for the challenge program.

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

Sec. 303. The state family program office shall promote and inform private individuals, businesses, and organizations regarding the distribution of prepaid phone cards and other services to national guard members and military reservists deployed overseas on active duty.

Sec. 304. The department will partner with the family independence agency to identify youth who may be eligible for the challenge program from those youth served by family independence agency programs. Such eligible youth shall be given priority for enrollment in the program.

VETERANS SERVICE ORGANIZATIONS

Sec. 501. (1) Money appropriated in section 105 for grants to veterans service organizations shall be used only for salaries, wages, related personnel costs, training, and equipment for accredited veteran service advocacy officers and necessary support and managerial staff. Training shall be provided for service advocacy officers and shall be conducted by accredited advocacy officers.

(2) To receive a grant from the money appropriated in section 105, a veterans service organization shall meet the following eligibility requirements:

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

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

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

(d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3).

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

(3) A veterans service organization receiving a grant from the money appropriated in section 105 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2005, to the department by November 15, 2003, within the format as prescribed by the department to be used in the development of the budget for the fiscal year ending September 30, 2005. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2003, to the department by January 31, 2004. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2003. A veterans service organization receiving a grant from the money appropriated in section 105 shall use the forms recommended by the Michigan veterans organizations' rehabilitation and veterans service committee for filing reports required by this act. The department shall forward information required under this section to the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

VETERANS' HOMES

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

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2004.

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

VETERANS' TRUST FUND

Sec. 703. (1) By April 1, 2004, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2002-2003. The report shall include information on grants provided from the emergency grant program and the veterans survivor tuition program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs.

(2) The annual report required under subsection (1) shall provide detailed information on the number of emergency grant applications denied during fiscal year 2002-2003, including an accounting of the reasons for denial. This information also shall include the number of persons denied an emergency grant because of individual ineligibility, because of insufficient funds, and because the applicant's request did not meet minimum program criteria.

(3) The annual report required under subsection (1) shall contain information on the veterans survivors tuition program, including the number of participants, where the participants attended school, payments made to each school, the average grade point and number of college credits earned by each participant, the number of participants suspended by the program, and the number of participants who earned a degree during fiscal year 2002-2003.

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

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

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Cameron Brown
Tony Stamas
Hansen Clarke
Conferees for the Senate

Sandy Caul
David Farhat
Carl Williams
Conferees for the House

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

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

The question being on the adoption of the conference report,

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

Roll Call No. 377

Yeas—37

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

Nays—0

Excused—1

Emerson

Not Voting—0

In The Chair: Sanborn

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.

By unanimous consent the Senate returned to the order of
Messages from the House

Senate Bill No. 575, entitled

A bill to amend 1971 PA 140, entitled “Glenn Steil state revenue sharing act of 1971,” by amending sections 11 and 13 (MCL 141.911 and 141.913), as amended by 2002 PA 679.

The House of Representatives has appointed Reps. Pumford, Pappageorge and Whitmer as conferees to join with Sens. Johnson, Sikkema and Emerson.

The bill was referred to the Conference Committee.

Committee Reports

The Committee on Appropriations reported

House Bill No. 4804, entitled

A bill to amend 1984 PA 431, entitled “The management and budget act,” by amending sections 353e and 358 (MCL 18.1353e and 18.1358), section 358 as amended by 2002 PA 504 and section 353e as amended by 1999 PA 8.

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.

Shirley Johnson
 Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus and Hardiman

Nays: Senators Prusi, Barcia, Scott, Cherry, Clarke and Switalski

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

The Committee on Appropriations reported

House Bill No. 4866, entitled

A bill to amend 1961 PA 112, entitled "An act to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation," by amending section 3 (MCL 388.983), as amended by 1991 PA 64.

With the recommendation that the bill 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, Prusi, Barcia, Scott, Cherry, Clarke and Switalski

Nays: None

The bill was referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submitted the following:

Meeting held on Wednesday, July 2, 2003, at 2:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Johnson (C), Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, Prusi, Barcia, Scott, Cherry, Clarke and Switalski

Excused: Senator George

The Committee on Local, Urban and State Affairs reported

House Bill No. 4146, entitled

A bill to amend 2000 PA 321, entitled "Recreational authorities act," by amending sections 3, 5, 11, 21, and 23 (MCL 123.1133, 123.1135, 123.1141, 123.1151, and 123.1153), section 21 as amended by 2002 PA 233.

With the recommendation that the bill pass.

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

Laura M. Toy
Chairperson

To Report Out:

Yeas: Senators Toy, Birkholz, Basham and Bernero

Nays: None

The bill was referred to the Committee of the Whole.

The Committee on Local, Urban and State Affairs reported

Senate Bill No. 601, entitled

A bill to amend 1909 PA 279, entitled "The home rule city act," by amending section 3 (MCL 117.3), as amended by 2002 PA 201.

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.

Laura M. Toy
Chairperson

To Report Out:

Yeas: Senators Toy, Birkholz, Goschka, Basham and Bernero

Nays: None

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

The Committee on Local, Urban and State Affairs reported

House Bill No. 4806, entitled

A bill to amend 1975 PA 197, entitled "An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials," by amending section 1 (MCL 125.1651), as amended by 1997 PA 202.

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.

Laura M. Toy
Chairperson

To Report Out:

Yeas: Senators Toy, Birkholz, Goschka, Basham and Bernero

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 Local, Urban and State Affairs submitted the following:

Meeting held on Thursday, July 3, 2003, at 9:00 a.m., Room 110, Farnum Building

Present: Senators Toy (C), Birkholz, Goschka, Basham and Bernero

COMMITTEE ATTENDANCE REPORT

The Subcommittee on Department of Environmental Quality submitted the following:

Meeting held on Tuesday, July 1, 2003, at 1:10 p.m., Room 405, Capitol Building

Present: Senators McManus (C), Goschka and Barcia

Scheduled Meetings

Conference Committees -

Career Development and Strategic Fund Agency (SB 285) - Wednesday, July 16, 12:30 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Community Colleges (HB 4388) - Wednesday, July 16, 9:30 a.m., Room 426, Capitol Building (373-8080)

Education (HB 4391) - Wednesday, July 16, 9:00 a.m., Room 426, Capitol Building (373-8080)

Environmental Quality (HB 4393) - Wednesday, July 16, 9:00 a.m., Room 428, Capitol Building (373-8080)

General Government (SB 270) - Wednesday, July 16, 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

History, Arts, and Libraries (SB 279) - Wednesday, July 16, 9:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

Natural Resources (HB 4400) - Wednesday, July 16, 9:15 a.m., Room 428, Capitol Building (373-8080)

Revenue Sharing (SB 575) - Wednesday, July 16, 10:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-2768)

School Aid (HB 4401) - Wednesday, July 16, 9:15 a.m., Room 426, Capitol Building (373-8080)

Technology and Energy - Wednesday, July 16, 8:00 a.m., Room 210, Farnum Building (373-7350)

Transportation - Monday, July 28, 2:00 p.m., Public Meeting Room, Port Huron Municipal Offices, 100 McMorran Boulevard, Port Huron (373-7708)

Senator Hammerstrom moved that the Senate adjourn.
The motion prevailed, the time being 8:37 p.m.

The Assistant President pro tempore, Senator Sanborn, declared the Senate adjourned until Wednesday, July 16, 2003, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate