

**No. 81**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**95th Legislature**  
**REGULAR SESSION OF 2010**

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Senate Chamber, Lansing, Wednesday, September 29, 2010.

10:00 a.m.

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

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

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

Garcia—present  
George—present  
Gilbert—present  
Gleason—present  
Hardiman—present  
Hunter—present  
Jacobs—present  
Jansen—present  
Jelinek—present  
Kahn—present  
Kuipers—present  
McManus—present  
Nofs—present

Olshove—present  
Pappageorge—present  
Patterson—present  
Prusi—present  
Richardville—present  
Sanborn—present  
Scott—present  
Stamas—present  
Switalski—present  
Thomas—present  
Van Woerkom—present  
Whitmer—present

Senator Michael Switalski of the 10th District offered the following invocation:

Good morning, Lord. Today is the day. Lord, help us celebrate this beautiful fall day. As I recall, You took six days to create the entire universe and then rested on the seventh day. Inspire us to follow Your example by finishing our budgets today and then resting tomorrow, September 30, the last day of the fiscal year.

If we do our jobs as well as You did Yours, we can look back on our achievements and see that they were good. If we descend into partisan bickering and gamesmanship, we will make a hash of things. Let's all pray that we follow Your example in what we create today. Amen.

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

### Motions and Communications

Senators Basham, McManus, Kuipers, Allen, Van Woerkom, Birkholz, Garcia, Barcia, Kahn, Brown, Brater and Nofs entered the Senate Chamber.

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

September 24, 2010

Enclosed is a copy of the following audit report:  
Performance audit of the Statewide Electronic Central Registry, Department of Human Services.  
Auditor General

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

Senator Cropsey moved that consideration of the motion to discharge the Committee on Government Operations from further consideration of the following resolution be postponed for today:

**Senate Resolution No. 172**

The motion prevailed.

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

Senator Cropsey moved that the Committee on Appropriations be discharged from further consideration of the following bill:

**House Bill No. 4860, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 20j, 20k, 22b, 32d, 74, and 101 (MCL 388.1611, 388.1620j, 388.1620k, 388.1622b, 388.1632d, 388.1674, and 388.1701), sections 11, 22b, 32d, 74, and 101 as amended by 2009 PA 121, section 20j as amended by 2008 PA 561, and section 20k as added by 2003 PA 158, and by adding section 20l.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Cropsey moved that the rules be suspended and that the following bill, now on the order of General Orders, be placed on the General Orders calendar for consideration today:

**House Bill No. 4860**

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

### Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:05 a.m.

12:10 p.m.

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

The Secretary announced that pursuant to Rule 2.109 of the Standing Rules of the Senate, the following expense reports have been filed with the Secretary of the Senate for the quarter from April 1, 2010 through June 30, 2010, and are available in the Secretary's office during business hours for public inspection:

**Committee**

Agriculture and Bioeconomy  
 Appropriations  
 Banking and Financial Institutions  
 Campaign and Election Oversight  
 Commerce and Tourism  
 Economic Development and Regulatory Reform  
 Education  
 Energy Policy and Public Utilities  
 Families and Human Services  
 Finance  
 Government Operations  
 Health Policy  
 Homeland Security and Emerging Technologies  
 Hunting, Fishing and Outdoor Recreation  
 Judiciary  
 Local, Urban and State Affairs  
 Natural Resources and Environmental Affairs  
 Senior Citizens and Veterans Affairs  
 Transportation

**Chairperson**

Senator Gerald Van Woerkom  
 Senator Ron Jelinek  
 Senator Randy Richardville  
 Senator Michelle McManus  
 Senator Jason Allen  
 Senator Alan Sanborn  
 Senator Wayne Kuipers  
 Senator Bruce Patterson  
 Senator Mark Jansen  
 Senator Nancy Cassis  
 Senator Michael Bishop  
 Senator Tom George  
 Senator Cameron Brown  
 Senator James Barcia  
 Senator Wayne Kuipers  
 Senator Gerald Van Woerkom  
 Senator Patricia Birkholz  
 Senator Jason Allen  
 Senator Jud Gilbert

The Secretary announced that the following House bills were received in the Senate and filed on Wednesday, September 28:

**House Bill Nos. 6023 6462**

By unanimous consent the Senate proceeded to the order of

**Messages from the House**

Senator Cropsey moved that consideration of the following bill be postponed for today:

**House Bill No. 4514**

The motion prevailed.

**Senate Bill No. 1157, entitled**

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2011; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

(For Conference Report, see Senate Journal No. 80, p. 1652.)

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

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

**Senate Bill No. 1161, entitled**

A bill to make appropriations for the department of natural resources and environment for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

(For Conference Report, see Senate Journal No. 80, p. 1628.)

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

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

By unanimous consent the Senate proceeded to the order of  
**General Orders**

Senator Cropsey moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Cherry, designated Senator Sanborn as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 4556, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 675d (MCL 257.675d), as amended by 2008 PA 171.

**Senate Bill No. 1440, entitled**

A bill to amend 1929 PA 312, entitled "The metropolitan district act," (MCL 119.1 to 119.18) by adding section 5a.

**Senate Bill No. 1485, entitled**

A bill to amend 1968 PA 15, entitled "Correctional industries act," by amending section 6 (MCL 800.326), as amended by 2007 PA 102.

**House Bill No. 5779, entitled**

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Isabella county; to prescribe conditions for the conveyances; to provide for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyances.

**Senate Bill No. 1509, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1249 (MCL 380.1249), as added by 2009 PA 205.

The bills were placed on the order of Third Reading of Bills.

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

**Senate Bill No. 1484, entitled**

A bill to amend 1968 PA 15, entitled "Correctional industries act," by amending sections 4 and 7 (MCL 800.324 and 800.327), as amended by 1996 PA 537.

Substitute (S-1).

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

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

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

**Senate Bill No. 1484**

**Senate Bill No. 1485**

**House Bill No. 5779**

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

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

**Senate Bill No. 1233**

**Senate Bill No. 1236**

**Senate Bill No. 1487**

**Senate Bill No. 1484**

**Senate Bill No. 1485**  
**House Bill No. 5779**  
**Senate Bill No. 1283**  
 The motion prevailed.

The following bill was read a third time:

**Senate Bill No. 1233, entitled**

A bill to amend 1996 PA 381, entitled “Brownfield redevelopment financing act,” by amending section 2 (MCL 125.2652), as amended by 2007 PA 204.

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. 483**

**Yeas—37**

Allen	Clarke	Jansen	Prusi
Anderson	Cropsey	Jelinek	Richardville
Barcia	Garcia	Kahn	Sanborn
Basham	George	Kuipers	Scott
Birkholz	Gilbert	McManus	Stamas
Bishop	Gleason	Nofs	Switalski
Brater	Hardiman	Olshove	Thomas
Brown	Hunter	Pappageorge	Van Woerkom
Cherry	Jacobs	Patterson	Whitmer
Clark-Coleman			

**Nays—1**

Cassis

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 1236, entitled**

A bill to amend 1978 PA 255, entitled “Commercial redevelopment act,” by amending sections 3 and 4 (MCL 207.653 and 207.654), as amended by 2008 PA 227.

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. 484**

**Yeas—38**

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville

Barcia	Cropsey	Kahn	Sanborn
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 1487, entitled**

A bill to amend 1996 PA 381, entitled “Brownfield redevelopment financing act,” by amending section 13 (MCL 125.2663), as amended by 2007 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. 485**

**Yeas—38**

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville
Barcia	Cropsey	Kahn	Sanborn
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 1484, entitled**

A bill to amend 1968 PA 15, entitled “Correctional industries act,” by amending sections 4 and 7 (MCL 800.324 and 800.327), as amended by 1996 PA 537.

The question being on the passage of the bill,

Senator Cropsey offered the following amendment:

1. Amend page 2, line 24, after “**PROGRAM**” by inserting a comma and “**INCLUDING, BUT NOT LIMITED TO, THE MANUFACTURING OF CASKETS FOR THE BURIAL OF INDIGENT PERSONS**”.

The amendment was adopted, a majority of the members serving voting therefor.

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. 486**

**Yeas—38**

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville
Barcia	Cropsey	Kahn	Sanborn
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 1485, entitled**

A bill to amend 1968 PA 15, entitled “Correctional industries act,” by amending section 6 (MCL 800.326), as amended by 2007 PA 102.

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. 487**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Scott

Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry			

**Nays—0**

**Excused—0**

**Not Voting—1**

McManus

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 5779, entitled**

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Isabella county; to prescribe conditions for the conveyances; to provide for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyances.

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. 488**

**Yeas—33**

Allen	Garcia	Jelinek	Prusi
Anderson	George	Kahn	Richardville
Barcia	Gilbert	Kuipers	Sanborn
Basham	Gleason	McManus	Stamas
Birkholz	Hardiman	Nofs	Switalski
Bishop	Hunter	Olshove	Thomas
Brown	Jacobs	Pappageorge	Van Woerkom
Cassis	Jansen	Patterson	Whitmer
Cropsey			

**Nays—5**

Brater	Clark-Coleman	Clarke	Scott
Cherry			

**Excused—0**

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.  
The Senate agreed to the title of the bill.

**Protest**

Senator Brater, under her constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5779 and moved that the statement she made during the discussion of the bill be printed as her reasons for voting “no.”  
The motion prevailed.

Senator Brater’s statement is as follows:

This bill just went right away from General Orders to Third Reading, and we didn’t have much notice that it was coming up. It sounds like a routine matter, but to me it isn’t. This is part of a pattern of disinvesting in property that used to provide housing for people with disabilities in terms of developmental disabilities, but it is part of a system that cared for people with both developmental disabilities and mental illness.

In the past couple of decades, we have totally dismantled the system. There are now people wandering around in the streets who are without adequate housing and without supportive housing, which is what they need to survive in the community successfully. It is less true about the people with developmental disabilities, but it encompasses some of them as well. When we don’t have the supportive environment, people can come in contact with the criminal justice system and end up incarcerated.

I don’t like the idea of disinvesting in these properties when what we should be doing is using them for providing supportive housing for people with the need for housing, where they can live successfully in the community if they have the right kind of support. So what we did was we had this idea of deinstitutionalization, which is the concept that people are better off living in the community than being in what is known pejoratively as an institution.

Unfortunately, when we closed all of these hospitals and institutions, we did not send the dollars into the community to follow the people. We did not create adequate group living situations where people could thrive in the community. Now more and more people are ending up transinstitutionalized in our criminal justice system. This is, for me, a symbolic matter, but I do want to call attention to the body of what we are doing here.

The following bill was read a third time:

**Senate Bill No. 1283, entitled**

A bill to amend 1978 PA 368, entitled “Public health code,” by amending section 17015 (MCL 333.17015), as amended by 2006 PA 77.

The question being on the passage of the bill,

Senator Hunter offered the following amendment:

1. Amend page 7, line 2, after “USED.” by inserting “**HOWEVER, IF, IN THE BEST MEDICAL JUDGMENT OF THE PHYSICIAN, THE USE OF THE MOST TECHNOLOGICALLY ADVANCED ULTRASOUND EQUIPMENT AVAILABLE AT THAT LOCATION WOULD JEOPARDIZE THE PATIENT’S PHYSICAL HEALTH OR OTHERWISE HARM THE BEST INTERESTS OF THE PATIENT OR THE FETUS, OR BOTH, THE PHYSICIAN OR PERSON ASSISTING THE PHYSICIAN MAY USE ALTERNATIVE ULTRASOUND EQUIPMENT.**”.

The amendment was adopted, a majority of the members serving voting therefor.

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. 489**

**Yeas—27**

Allen  
Barcia

Cropsey  
Garcia

Jansen  
Jelinek

Pappageorge  
Patterson

Basham	George	Kahn	Richardville
Birkholz	Gilbert	Kuipers	Sanborn
Bishop	Gleason	McManus	Stamas
Brown	Hardiman	Nofs	Van Woerkom
Cassis	Hunter	Olshove	

**Nays—11**

Anderson	Clark-Coleman	Prusi	Thomas
Brater	Clarke	Scott	Whitmer
Cherry	Jacobs	Switalski	

**Excused—0****Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

**Protests**

Senators Jacobs and Whitmer, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 1283.

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

The motion prevailed.

Senator Jacobs’ statement, in which Senator Whitmer concurred, is as follows:

I rise to explain why I will not be voting in favor of this. Despite what I think is something good that Senator Hunter did with his amendment, I still think this is another example of the Legislature trying to tell doctors how to practice medicine. If we don’t feel it is important enough that this really needs to be a decision between doctors, women, and their families; I think this is another example of the Legislature trying to overregulate small-business operators. Indeed, we have heard so many times in the Finance Committee or Economic Development and Regulatory Reform Committee that doctors run small businesses, and if we don’t want to take the health view of this, then I think we should take a look at the business model as well. For those reasons, I will be voting against this bill.

By unanimous consent the Senate proceeded to the order of

**Introduction and Referral of Bills**

Senator Cherry introduced

**Senate Bill No. 1526, entitled**

A bill to amend 1998 PA 386, entitled “Estates and protected individuals code,” by amending sections 3206 and 3209 (MCL 700.3206 and 700.3209), section 3206 as amended by 2008 PA 41 and section 3209 as added by 2006 PA 299, and by adding section 3206a.

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

Senator McManus introduced

**Senate Bill No. 1527, entitled**

A bill to amend 1933 PA 62, entitled “Property tax limitation act,” by amending section 5i (MCL 211.205i), as amended by 2004 PA 391.

The bill was read a first and second time by title.

Senator Cropsy moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the order of General Orders.

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

Senators Jansen, Hunter, Basham, Van Woerkom, Richardville, Birkholz, Pappageorge and Kuipers introduced

**Senate Bill No. 1528, entitled**

A bill to amend 1975 PA 169, entitled "Charitable organizations and solicitations act," by amending the title and sections 3, 5, 7, 11, 13, 16, 18, 20, 21, and 23 (MCL 400.273, 400.275, 400.277, 400.281, 400.283, 400.286, 400.288, 400.290, 400.291, and 400.293), section 3 as amended by 2008 PA 424 and section 13 as amended by 1992 PA 299, and by adding sections 17a, 23a, and 23b; and to repeal acts and parts of acts.

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

Senators Jansen, Nofs, Hunter, Basham, Van Woerkom, Garcia, Richardville, Birkholz, Pappageorge, McManus, Jacobs, Kahn, Brown, Allen and Kuipers introduced

**Senate Bill No. 1529, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending sections 293, 294, 295, 296, and 297 (MCL 18.1293, 18.1294, 18.1295, 18.1296, and 18.1297).

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

Senators Brater, Scott, Jacobs, Whitmer, Switalski, Clark-Coleman, Clarke, Anderson, Hunter, Olshove, Cherry and Thomas introduced

**Senate Bill No. 1530, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 61506d.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senators Brater, Scott, Jacobs, Whitmer, Switalski, Clark-Coleman, Clarke, Anderson, Hunter, Olshove, Cherry and Thomas introduced

**Senate Bill No. 1531, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 3109d.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senators Brater, Scott, Jacobs, Whitmer, Switalski, Clark-Coleman, Clarke, Anderson, Hunter, Olshove, Cherry and Thomas introduced

**Senate Bill No. 1532, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 20126b.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senators Brater, Prusi, Thomas, Scott and Jacobs introduced

**Senate Bill No. 1533, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending sections 10, 13a, and 14 of chapter XIII (MCL 712A.10, 712A.13a, and 712A.14), section 10 as amended by 1988 PA 92, section 13a as amended by 2004 PA 475, and section 14 as amended by 2001 PA 211, and by adding sections 14a and 14b to chapter XIII.

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

Senator Whitmer introduced

**Senate Bill No. 1534, entitled**

A bill to amend 1999 PA 276, entitled "Banking code of 1999," (MCL 487.11101 to 487.15105) by adding section 4101a.

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

Senator Whitmer introduced

**Senate Bill No. 1535, entitled**

A bill to amend 1980 PA 307, entitled "Savings and loan act of 1980," (MCL 491.102 to 491.1202) by adding section 601. The bill was read a first and second time by title and referred to the Committee on Banking and Financial Institutions.

Senator Whitmer introduced

**Senate Bill No. 1536, entitled**

A bill to amend 1996 PA 354, entitled "Savings bank act," (MCL 487.3101 to 487.3804) by adding section 401a. The bill was read a first and second time by title and referred to the Committee on Banking and Financial Institutions.

Senator Brater introduced

**Senate Bill No. 1537, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 106 (MCL 400.106), as amended by 2006 PA 144, and by adding section 105c.

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

**House Bill No. 6023, entitled**

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending section 50 (MCL 169.250), as added by 1994 PA 385.

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 Campaign and Election Oversight.

**House Bill No. 6462, entitled**

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 9a, 10c, and 20a (MCL 247.659a, 247.660c, and 247.670a), section 9a as amended by 2007 PA 199, section 10c as amended by 2008 PA 485, and section 20a as amended by 2005 PA 5.

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 Transportation.

By unanimous consent the Senate returned to the order of

**General Orders**

Senator Cropsey moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Cherry, designated Senator Sanborn as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Cherry, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

**House Bill No. 5872, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 11 (MCL 388.1611), as amended by 2010 PA 110, and by adding section 11p.

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

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

**House Bill No. 5409, entitled**

A bill to make, supplement, and adjust appropriations for various state departments and agencies, for the judicial branch, and for the legislative branch, for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Substitute (S-7).

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

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

**House Bill No. 4860, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 20j, 20k, 22b, 32d, 74, and 101 (MCL 388.1611, 388.1620j, 388.1620k, 388.1622b, 388.1632d, 388.1674, and 388.1701), sections 11, 22b, 32d, 74, and 101 as amended by 2009 PA 121, section 20j as amended by 2008 PA 561, and section 20k as added by 2003 PA 158, and by adding section 20l.

Substitute (S-4).

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

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

**House Bill No. 4538, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending section 34a (MCL 791.234a), as added by 2009 PA 107.

Substitute (S-1).

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

By unanimous consent the Senate returned to the order of

**Messages from the House**

**Senate Bill No. 610, entitled**

A bill to create a lien against real property for unpaid commercial real estate broker's commissions and services; and to provide remedies.

The House of Representatives has amended the bill as follows:

1. Amend page 3, line 14, after "due." by inserting "However, a claim of lien under this subsection shall be recorded within 60 days after the conveyance of the commercial real estate."
2. Amend page 3, line 19, after "time" by inserting "within 60 days".
3. Amend page 4, line 1, after "recorded." by inserting "A claim of lien under this subsection shall be recorded within 60 days after the signing of the existing lease."
4. Amend page 4, line 2, after "The" by inserting "extension or".
5. Amend page 11, line 24, after "6" by striking out "shall" and inserting "may, in its discretion,".
6. Amend page 11, following line 26, by inserting:  
“(3) If the court determines that an action under section 6 was frivolous, the court may, in its discretion, award costs described in subsection (2) to the defendant.”.

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

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

Senator Cropsy moved that the rule be suspended.

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

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. 490****Yeas—29**

Allen	Cropsey	Jansen	Pappageorge
Anderson	Garcia	Jelinek	Prusi
Barcia	George	Kahn	Richardville
Birkholz	Gilbert	Kuipers	Sanborn
Bishop	Gleason	McManus	Stamas
Brown	Hardiman	Nofs	Thomas
Cassis	Hunter	Olshove	Van Woerkom
Cherry			

**Nays—8**

Brater	Clarke	Patterson	Switalski
Clark-Coleman	Jacobs	Scott	Whitmer

**Excused—0****Not Voting—1**

Basham

In The Chair: President

Senator Cropsey moved to reconsider the vote by which the House amendments were concurred in. The motion prevailed, a majority of the members serving voting therefor. 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. 491****Yeas—30**

Allen	Cherry	Hunter	Olshove
Anderson	Clarke	Jansen	Pappageorge
Barcia	Cropsey	Jelinek	Richardville
Basham	Garcia	Kahn	Sanborn
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Thomas
Brown	Gleason	Nofs	Van Woerkom
Cassis	Hardiman		

**Nays—7**

Brater	Jacobs	Prusi	Whitmer
Clark-Coleman	Patterson	Switalski	

**Excused—0**

**Not Voting—1**

Scott

In The Chair: President

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

**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 1:13 p.m.

2:29 p.m.

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

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

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

**House Bill No. 5872**  
**House Bill No. 5409**  
**House Bill No. 4538**  
**House Bill No. 4860**

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

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

**House Bill No. 6461**  
**House Bill No. 5409**  
**House Bill No. 4860**  
**House Bill No. 4538**  
**House Bill No. 5872**

The motion prevailed.

The President, Lieutenant Governor Cherry, resumed the Chair.

The following bill was read a third time:

**House Bill No. 6461, entitled**

A bill to amend 1985 PA 106, entitled "State convention facility development act," by amending section 10 (MCL 207.630), as amended by 2009 PA 156.

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. 492****Yeas—37**

Allen  
Anderson

Clark-Coleman  
Clarke

Jacobs  
Jansen

Patterson  
Prusi

Barcia	Cropsey	Jelinek	Richardville
Basham	Garcia	Kahn	Sanborn
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Nofs	Thomas
Brown	Hardiman	Olshove	Van Woerkom
Cassis	Hunter	Pappageorge	Whitmer
Cherry			

**Nays—0**

**Excused—0**

**Not Voting—1**

Scott

In The Chair: President

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

Senator Cropsey 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 impose a state excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests in certain counties; to provide for the levy, assessment, and collection of the tax; to provide for the disposition and appropriation of the collections from the tax; to create a convention facility development fund; to authorize the distributions from the fund; to authorize the use of distributions from the tax as security for any bonds, obligations, or other evidences of indebtedness issued to finance convention facilities as provided by law; to pre-prescribe certain other matters relating to bonds, obligations, or other evidences of indebtedness issued for such purposes.”

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5409, entitled**

A bill to make, supplement, and adjust appropriations for various state departments and agencies, the legislative branch, the judicial branch, and community colleges for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Prusi offered the following amendment:

1. Amend page 14, following line 11, by inserting:

“Sec. 250. Up to \$10,000,000.00 from the unreserved general fund/general purpose fund balance for the fiscal year ending September 30, 2010 is appropriated for the pure Michigan program for tourism promotion. If the unreserved general fund/general purpose fund balance for the fiscal year ending September 30, 2010 after all other adjustments is less than \$10,000,000.00, then the amount appropriated for the pure Michigan program for tourism promotion shall be reduced so it does not exceed the total unreserved fund balance.”

The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Thomas requested the yeas and nays.

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

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

**Roll Call No. 493****Yeas—17**

Anderson	Clark-Coleman	Gleason	Prusi
Barcia	Clarke	Hunter	Switalski
Basham	Garcia	Jacobs	Thomas
Brater	George	Olshove	Whitmer
Cherry			

**Nays—18**

Birkholz	Gilbert	Kuipers	Richardville
Bishop	Hardiman	Nofs	Sanborn
Brown	Jansen	Pappageorge	Stamas
Cassis	Jelinek	Patterson	Van Woerkom
Cropsey	Kahn		

**Excused—1**

Scott

**Not Voting—2**

Allen	McManus
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In The Chair: President

Senator Scott entered the Senate Chamber.

Senator Scott offered the following amendment:

1. Amend page 14, following line 11, by inserting:

“Sec. 251. Up to \$6,500,000.00 from the unreserved general fund/general purpose fund balance for the fiscal year ending September 30, 2010 is appropriated for the JET plus program in the department of human services. If the unreserved general fund/general purpose fund balance for the fiscal year ending September 30, 2010 after all other adjustments is less than \$6,500,000.00, then the amount appropriated for the JET plus program shall be reduced so it does not exceed the total unreserved fund balance.”.

The question being on the adoption of the amendment,

Senator Thomas requested the yeas and nays.

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

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

**Roll Call No. 494****Yeas—16**

Anderson	Cherry	Hunter	Scott
Barcia	Clark-Coleman	Jacobs	Switalski
Basham	Clarke	Olshove	Thomas
Brater	Gleason	Prusi	Whitmer

**Nays—22**

Allen	Garcia	Kahn	Patterson
Birkholz	George	Kuipers	Richardville
Bishop	Gilbert	McManus	Sanborn
Brown	Hardiman	Nofs	Stamas
Cassis	Jansen	Pappageorge	Van Woerkom
Cropsey	Jelinek		

**Excused—0****Not Voting—0**

In The Chair: President

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

**Roll Call No. 495****Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Scott
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Nofs	Thomas
Brown	Hardiman	Olshove	Van Woerkom
Cassis	Hunter	Pappageorge	Whitmer
Cherry			

**Nays—1**

Patterson

**Excused—0****Not Voting—0**

In The Chair: President

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

The following bill was read a third time:

**House Bill No. 4860, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 11j, 22e, 24c, 26a, 39a, 81, 94a, 102, 104, and 166b (MCL 388.1611, 388.1611j, 388.1622e, 388.1624c, 388.1626a, 388.1639a, 388.1681, 388.1694a, 388.1702, 388.1704, and 388.1766b), sections 11, 11j, 22e, 24c, 26a, 39a, 81, 94a, 104, and 166b as amended by 2010 PA 110 and section 102 as amended by 2000 PA 297, and by adding sections 92 and 93.

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. 496**

**Yeas—37**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Barcia	Cropsey	Jelinek	Sanborn
Basham	Garcia	Kahn	Scott
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Nofs	Thomas
Brown	Hardiman	Olshove	Van Woerkom
Cassis	Hunter	Pappageorge	Whitmer
Cherry			

**Nays—1**

Patterson

**Excused—0**

**Not Voting—0**

In The Chair: President

Senator Cropsey 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 make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts,".

The Senate agreed to the full title.

**Protest**

Senator Patterson, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4860 and moved that the statement he made during the discussion of the bill be printed as his reasons for voting "no."

The motion prevailed.

Senator Patterson’s statement is as follows:

So where does this money come from that we are spending again today? Well, I am looking at a Legislative Digest from the United States House Republican Conference, certainly a reliable source, and this money comes from Harry Reid and Patty Murray. It is \$26.1 billion in federal bailouts for states that is partially offset with permanent tax increases and rescissions. The bill provides \$10 billion for state education bailout. The Congressional Budget Office estimates that the bill increases the deficit by \$12.6 billion.

Whether or not you are convinced by the United States House Republican Conference, perhaps you will be convinced by a *Gongwer* selection that appears to state: “The state GOP hits House candidates on federal stimulus spending.” Can you imagine that the state Grand Old Party is attacking House Democrats in our own State House for excessive spending of bailout money? “According to the Republican Party spokesperson Jennifer Hoff, she wasn’t aware of the calls that were being made, but the liberals in Lansing supported wasting \$862 billion of our tax dollars.” That was a flyer that was sent out. I actually received one of those at my home. The liberals are spending this bailout money like it was their own rather than stepping up and holding the line as true conservatives do.

The following bill was read a third time:

**House Bill No. 4538, entitled**

A bill to amend 1953 PA 232, entitled “Corrections code of 1953,” by amending section 34a (MCL 791.234a), as added by 2009 PA 107.

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. 497**

**Yeas—38**

Allen	Clark-Coleman	Jansen	Prusi
Anderson	Clarke	Jelinek	Richardville
Barcia	Cropsey	Kahn	Sanborn
Basham	Garcia	Kuipers	Scott
Birkholz	George	McManus	Stamas
Bishop	Gilbert	Nofs	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs		

**Nays—0**

**Excused—0**

**Not Voting—0**

In The Chair: President

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

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

“An act to revise, consolidate, and codify the laws relating to probationers and probation officers, to pardons, reprieves, commutations, and paroles, to the administration of correctional institutions, correctional farms, and probation recovery camps, to prisoner labor and correctional industries, and to the supervision and inspection of local jails and houses of correction; to provide for the siting of correctional facilities; to create a state department of corrections, and to prescribe its powers and duties; to provide for the transfer to and vesting in said department of powers and duties vested by law in certain other state boards, commissions, and officers, and to abolish certain boards, commissions, and offices the powers and duties of which are transferred by this act; to allow for the operation of certain facilities by private entities; to prescribe

the powers and duties of certain other state departments and agencies; to provide for the creation of a local lockup advisory board; to provide for a lifetime electronic monitoring program; to prescribe penalties for the violation of the provisions of this act; to make certain appropriations; to repeal certain parts of this act on specific dates; and to repeal all acts and parts of acts inconsistent with the provisions of this act.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 5872, entitled**

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending section 11 (MCL 388.1611), as amended by 2010 PA 110, and by adding section 11p.

The question being on the passage of the bill,  
Senator Pappageorge offered the following substitute:  
Substitute (S-5).

The question being on the adoption of the substitute,  
Senator Pappageorge moved that further consideration of the substitute be postponed temporarily.  
The motion prevailed.

Senator Jelinek offered the following substitute:

Substitute (S-1).

The substitute was not adopted, a majority of the members serving not voting therefor.

By unanimous consent the Senate returned to consideration of the substitute offered by Senator Pappageorge.

The question being on the adoption of the substitute,  
The substitute was adopted, a majority of the members serving voting therefor.

### Protest

Senator Garcia, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the substitute offered by Senator Pappageorge to House Bill No. 5872.

Senator Garcia’s statement is as follows:

Over the past number of years that I have represented my district, I have been continuously beat up about the fact that there is such a big disparity between the schools that are funded at the lower end and those that are funded at the higher end. Repeatedly, I have told my school board members, parents, teachers, and superintendents that the reason we have this is because of Proposal A and the political agreements that were made many years ago, and people voted for this process. So I have defended many of the schools that are now known as 20j.

While the substitute that was presented before us a little while ago might seem fair to some, I would like to point out that for many, many years, many of our schools at the lower end of the per-pupil funding have done without. While we are being fair to 54 or 58 school districts that were mentioned earlier, but we haven’t been fair to those school districts that have had to deal with having to provide for their students with less money than many others have.

For that reason, I voted against that particular substitute. While on the surface it might appear to be fair for this year that we distribute the money and give it back to those school districts that lost it from last year, but, in reality, ever since Proposal A, those at the bottom of the per-pupil funding have had to do with less. That is why I voted “no.”

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. 498

### Yeas—29

Anderson	Cherry	Jacobs	Pappageorge
Barcia	Cropsey	Jansen	Richardville
Basham	Garcia	Jelinek	Sanborn
Birkholz	George	Kahn	Stamas
Bishop	Gilbert	McManus	Switalski

Brater  
Brown  
Cassis

Gleason  
Hardiman

Nofs  
Olshove

Van Woerkom  
Whitmer

**Nays—9**

Allen  
Clark-Coleman  
Clarke

Hunter  
Kuipers

Patterson  
Prusi

Scott  
Thomas

**Excused—0**

**Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.

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

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

A bill to amend 1979 PA 94, entitled “An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts,” (MCL 388.1601 to 388.1772) by adding section 11p.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

**Protests**

Senators Patterson, Thomas and Hunter, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5872.

Senator Patterson moved that the statement he made during the discussion of the bill be printed as his reasons for voting “no.”

The motion prevailed.

Senator Patterson’s statement, in which Senators Thomas and Hunter concurred, is as follows:

Those who actually listened before were quite on point. So that is why I would like to reincorporate my “no” vote explanation on this bill. Having referenced the United States Republican Conference and the state GOP, I will now take the liberty of referencing a *Wall Street Journal* article that I understand Senator George circulated yesterday:

“Washington and the Fiscal Crisis of the States. The states have faced and will face combined budget shortfalls estimated at \$350 billion in fiscal years 2010 and 2011. Past experience suggests that these deficits will continue even if a national economic recovery takes hold.

The federal stimulus has provided significant budget relief to the states, but this relief is temporary and makes it harder for states to cut expenditures. These strings prevent states from substituting federal money for state funds, require states to spend minimum amounts of their own funds, and prevent states from tightening eligibility standards for benefits.

Because of these requirements, states, instead of cutting spending in transportation, education, and health care, have been forced to keep most of their expenditures at previous levels and use federal funds only as supplements. The net result is this: The federal stimulus has led states to increase overall spending in these core areas, which in effect has only raised the height of the cliff from which state spending will fall if stimulus funds evaporate.”

This is a perfect example of kicking the can down the road. Stop spending future generations’ money. Have the guts to cut spending now and not keep spending our grandchildren’s money. That is easy.

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

**House Bill No. 5882, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2011; 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 House of Representatives has adopted the report of the Committee of Conference.  
 The Conference Report was read as follows:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning  
**House Bill No. 5882, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2011; 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 recede from the Substitute of the Senate as passed by the Senate.

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

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF HUMAN SERVICES**

APPROPRIATION SUMMARY

Full-time equated classified positions .....	11,863.5	
Full-time equated unclassified positions.....	6.0	
Total full-time equated positions .....	11,869.5	
GROSS APPROPRIATION .....		\$ 6,962,426,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		1,230,300
ADJUSTED GROSS APPROPRIATION .....		\$ 6,961,195,800
Federal revenues:		
Federal - FMAP stimulus .....		6,499,700
Federal - food assistance administration (ARRA) .....		9,495,200
Federal - supplemental nutrition assistance revenues (ARRA).....		566,785,600
Federal - emergency TANF contingency revenues (ARRA) .....		189,737,300
Federal - transitional supportive housing revenues (ARRA).....		2,000,000
Federal - faith-based grant revenues (ARRA).....		250,000
Total other federal revenues .....		5,147,520,700
Special revenue funds:		
Total private revenues.....		14,483,500
Total local revenues.....		33,925,700
Total other state restricted revenues .....		60,433,500
State general fund/general purpose .....		\$ 930,064,600

For Fiscal Year  
Ending Sept. 30,  
2011

**Sec. 102. EXECUTIVE OPERATIONS**

Total full-time equated positions .....	670.7	
Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	664.7	
Unclassified salaries—6.0 FTE positions.....		\$ 647,900
Salaries and wages—276.7 FTE positions .....		17,399,100
Contractual services, supplies, and materials .....		10,190,300
Demonstration projects—9.0 FTE positions .....		14,537,000
Inspector general salaries and wages—136.0 FTE positions .....		7,808,000
Electronic benefit transfer EBT.....		13,009,000
Michigan community service commission—15.0 FTE positions .....		9,129,900
AFC, children’s welfare and day care licensure—228.0 FTE positions .....		24,566,000
State office of administrative hearings and rules .....		5,697,300
<b>GROSS APPROPRIATION</b> .....		<b>\$ 102,984,500</b>

Appropriated from:

Federal revenues:

Federal - food assistance administration (ARRA) .....		7,985,700
Total other federal revenues .....		62,033,400

Special revenue funds:

Total private revenues.....		8,205,300
Total local revenues .....		175,000
Total other state restricted revenues .....		25,000
State general fund/general purpose .....		\$ 24,560,100

**Sec. 103. CHILD SUPPORT ENFORCEMENT**

Full-time equated classified positions .....	198.7	
Child support enforcement operations—192.7 FTE positions .....		\$ 23,204,700
Legal support contracts .....		138,753,600
Child support incentive payments .....		32,409,600
State disbursement unit—6.0 FTE positions .....		14,599,900
<b>GROSS APPROPRIATION</b> .....		<b>\$ 208,967,800</b>

Appropriated from:

Federal revenues:

Total federal revenues.....		193,477,100
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Special revenue funds:

Total local revenues .....		340,000
Total other state restricted revenues .....		770,000
State general fund/general purpose .....		\$ 14,380,700

**Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

Full-time equated classified positions .....	19.0	
Bureau of community action and economic opportunity operations—19.0 FTE positions .....		\$ 2,197,400
Community services block grant .....		25,650,000
Weatherization assistance .....		27,400,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 55,247,400</b>

Appropriated from:

Federal revenues:

Total federal revenues.....		55,247,400
State general fund/general purpose .....		\$ 0

**Sec. 105. ADULT AND FAMILY SERVICES**

Full-time equated classified positions .....	44.7	
Executive direction and support—5.0 FTE positions.....		\$ 542,200
Guardian contract .....		600,000
Adult services policy and administration—6.0 FTE positions .....		651,300
Office of program policy—33.7 FTE positions.....		5,490,500
Employment and training support services .....		11,230,100

	For Fiscal Year Ending Sept. 30, 2011
JET plus.....	\$ 8,500,000
Wage employment verification reporting .....	848,700
Urban and rural empowerment/enterprise zones .....	100
Nutrition education.....	30,000,000
Crisis prevention and elder law of Michigan food for the elderly project.....	225,000
GROSS APPROPRIATION .....	\$ 58,087,900
Appropriated from:	
Federal revenues:	
Federal - emergency TANF contingency revenues (ARRA) .....	13,323,000
Total other federal revenues .....	39,678,700
Special revenue funds:	
Total private revenues.....	25,000
State general fund/general purpose .....	\$ 5,061,200
<b>Sec. 106. CHILDREN'S SERVICES</b>	
Full-time equated classified positions .....	131.8
Salaries and wages—44.2 FTE positions .....	\$ 2,929,600
Contractual services, supplies, and materials .....	875,900
Interstate compact.....	231,600
Children's benefit fund donations .....	21,000
Families first.....	18,450,700
Strong families/safe children—3.0 FTE positions.....	16,580,600
Child protection and permanency—37.5 FTE positions .....	19,030,900
Zero to three.....	3,843,800
Family reunification program .....	3,977,100
Family preservation and prevention services administration—14.5 FTE positions .....	1,301,900
Children's trust fund administration—12.0 FTE positions.....	1,039,400
Children's trust fund grants.....	3,825,100
ECIC, early childhood investment corporation .....	14,623,000
Attorney general contract .....	3,559,000
Prosecuting attorney contracts.....	2,561,700
Child protection—5.0 FTE positions.....	832,600
Domestic violence prevention and treatment—14.6 FTE positions .....	14,857,200
Rape prevention and services—0.5 FTE position .....	3,300,000
Transitional supportive housing (ARRA).....	2,000,000
Child advocacy centers—0.5 FTE position .....	1,000,000
Child care fund in-home care incentive program.....	5,000,000
GROSS APPROPRIATION .....	\$ 119,841,100
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
Federal - transitional supportive housing revenues (ARRA).....	2,000,000
Total other federal revenues .....	105,812,200
Special revenue funds:	
Private - children's benefit fund donations.....	21,000
Compulsive gaming prevention fund.....	1,040,000
Sexual assault victims' prevention and treatment fund.....	1,000,000
Child advocacy centers fund .....	1,000,000
Children's trust fund.....	3,811,100
State general fund/general purpose .....	\$ 5,156,800
<b>Sec. 107. CHILDREN'S RIGHTS SETTLEMENT</b>	
Full-time equated classified positions .....	3,494.0
Children's services administration—49.0 FTE positions .....	\$ 3,730,100
Title IV-E compliance and accountability office—5.0 FTE positions.....	419,400
Child welfare institute—40.0 FTE positions .....	6,549,400
Child protective services workers—1,481.0 FTE positions .....	69,284,200

	For Fiscal Year Ending Sept. 30, 2011
Direct care workers—958.0 FTE positions .....	\$ 52,463,000
Education planners—14.0 FTE positions .....	741,600
Permanency planning conference coordinators—55.0 FTE positions .....	2,313,600
Child welfare first line supervisors—519.0 FTE positions .....	27,577,400
Administrative support workers—241.0 FTE positions .....	12,348,500
Second line supervisors and technical staff—45.0 FTE positions .....	3,184,000
Permanency planning specialists—62.0 FTE positions .....	2,418,500
POS contract monitoring unit—10.0 FTE positions .....	579,200
Contractual services, supplies, and materials .....	5,601,100
Settlement monitor .....	1,625,800
Foster care payments .....	184,520,800
Foster care - children with serious emotional disturbance waiver .....	1,769,000
Guardianship assistance program .....	3,170,000
Child care fund .....	217,766,400
Child care fund administration—5.8 FTE positions .....	798,200
Adoption subsidies .....	230,785,200
Adoption support services—7.2 FTE positions .....	33,555,300
Youth in transition—2.0 FTE positions .....	14,192,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 875,393,500</b>
Appropriated from:	
Federal revenues:	
Federal - FMAP stimulus .....	6,261,400
Total other federal revenues .....	480,838,700
Special revenue funds:	
Private - collections .....	2,300,000
Local funds - county chargeback .....	19,247,100
State general fund/general purpose .....	\$ 366,746,300
<b>Sec. 108. JUVENILE JUSTICE SERVICES</b>	
Full-time equated classified positions .....	218.7
W.J. Maxey training school—83.0 FTE positions .....	\$ 12,217,000
Bay pines center—49.0 FTE positions .....	5,589,800
Shawono center—48.0 FTE positions .....	5,403,500
County juvenile officers .....	3,904,300
Community support services—2.0 FTE positions .....	1,399,100
Juvenile justice administration and maintenance—31.7 FTE positions .....	4,390,200
W.J. Maxey memorial fund .....	45,000
Juvenile accountability incentive block grant—1.0 FTE position .....	1,304,000
Committee on juvenile justice administration—4.0 FTE positions .....	538,700
Committee on juvenile justice grants .....	5,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 39,791,600</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	9,154,300
Special revenue funds:	
Total private revenues .....	45,000
Local funds - state share education funds .....	1,526,200
Local funds - county chargeback .....	10,096,000
State general fund/general purpose .....	\$ 18,970,100
<b>Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS</b>	
Full-time equated classified positions .....	6,317.5
Field staff, salaries and wages—6,023.5 FTE positions .....	\$ 320,880,500
Limited-term field staff, salaries and wages—100.0 FTE positions .....	2,755,100
Contractual services, supplies, and materials .....	12,818,800
Medical/psychiatric evaluations .....	6,831,900
Donated funds positions—158.0 FTE positions .....	12,854,900

	For Fiscal Year Ending Sept. 30, 2011
Training and program support—24.0 FTE positions.....	\$ 3,344,200
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement .....	1,036,100
Volunteer services and reimbursement (ARRA)—2.0 FTE positions .....	250,000
SSI advocates—10.0 FTE positions .....	1,238,500
GROSS APPROPRIATION .....	\$ 362,110,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of corrections .....	100,000
ADJUSTED GROSS APPROPRIATION .....	\$ 362,010,000
Federal revenues:	
Federal - faith-based grant revenues (ARRA) .....	250,000
Federal - food assistance administration (ARRA) .....	905,700
Total other federal revenues .....	221,530,000
Special revenue funds:	
Local funds .....	2,541,400
Private funds - donated funds .....	859,700
Private funds - Wayne County gifts .....	100,000
Private funds - hospital contributions.....	2,927,500
Supplemental security income recoveries.....	725,000
State general fund/general purpose .....	\$ 132,170,700
<b>Sec. 110. DISABILITY DETERMINATION SERVICES</b>	
Full-time equated classified positions .....	747.4
Disability determination operations—721.9 FTE positions .....	\$ 107,512,800
Medical consultation program—21.4 FTE positions.....	3,038,900
Retirement disability determination—4.1 FTE positions .....	836,800
GROSS APPROPRIATION .....	\$ 111,388,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DTMB - office of retirement systems .....	1,130,300
ADJUSTED GROSS APPROPRIATION .....	\$ 110,258,200
Federal revenues:	
Total federal revenues.....	107,378,600
State general fund/general purpose .....	\$ 2,879,600
<b>Sec. 111. CENTRAL SUPPORT ACCOUNTS</b>	
Rent .....	\$ 46,134,200
Occupancy charge.....	8,260,500
Travel.....	7,062,100
Equipment.....	227,300
Worker’s compensation.....	3,525,900
Advisory commissions.....	17,900
Payroll taxes and fringe benefits .....	331,977,500
GROSS APPROPRIATION .....	\$ 397,205,400
Appropriated from:	
Federal revenues:	
Federal - FMAP stimulus .....	238,300
Federal - emergency TANF contingency revenues (ARRA) .....	4,068,400
Federal - food assistance administration (ARRA) .....	603,800
Total other federal revenues .....	241,901,400
State general fund/general purpose .....	\$ 150,393,500
<b>Sec. 112. PUBLIC ASSISTANCE</b>	
Full-time equated classified positions .....	27.0
Family independence program .....	\$ 428,835,100
State disability assistance payments.....	34,765,000
Food assistance program benefits.....	3,020,337,600

	For Fiscal Year Ending Sept. 30, 2011
Food assistance program benefits (ARRA) .....	\$ 566,785,600
State supplementation.....	58,069,300
State supplementation administration.....	2,601,000
Low-income home energy assistance program.....	116,451,600
Food bank funding.....	1,345,000
Homeless programs .....	11,646,700
Multicultural integration funding .....	1,815,500
Chaldean community foundation.....	100
Indigent burial .....	4,209,200
Emergency services local office allocations.....	21,615,500
Licensed and registered child development and care.....	100,716,200
Enrolled child development and care .....	81,397,100
Child care services grants and contracts .....	3,025,000
Day care technology, and oversight—20.0 FTE positions .....	2,075,400
Refugee assistance program—7.0 FTE positions .....	24,241,400
GROSS APPROPRIATION.....	\$ 4,479,932,300
Appropriated from:	
Federal revenues:	
Federal - emergency TANF contingency revenues (ARRA) .....	172,345,900
Federal supplemental nutrition assistance revenues (ARRA) .....	566,785,600
Total other federal revenues .....	3,521,901,600
Special revenue funds:	
Child support collections.....	27,445,800
Supplemental security income recoveries.....	16,606,600
Public assistance recoupment revenue.....	7,010,000
State general fund/general purpose .....	\$ 167,836,800
<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 105,898,100
Child support automation .....	45,578,000
GROSS APPROPRIATION.....	\$ 151,476,100
Appropriated from:	
Federal revenues:	
Total federal revenues.....	108,567,300
Special revenue funds:	
Total other state restricted revenues .....	1,000,000
State general fund/general purpose .....	\$ 41,908,800

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 2010-2011 is \$990,498,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$102,301,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

Child care fund.....	\$ 93,596,500
County juvenile officers .....	3,657,600
State disability assistance payments.....	2,286,600
Legal support contracts .....	2,025,000
Child support enforcement operations.....	583,200
Family independence program .....	153,000
TOTAL.....	\$ 102,301,900

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

Sec. 203. As used in this act:

(a) "AFC" means adult foster care.

(b) "ARRA" means the American recovery and reinvestment act of 2009, Public Law 111-5.

- (c) "CFSR" means child and family services review.
- (d) "Children's rights settlement agreement" means the settlement agreement entered in the case of Dwayne B. vs. Granholm, docket No. 2:06-cv-13548 in the United States district court for the eastern district of Michigan.
- (e) "Current fiscal year" means the fiscal year ending September 30, 2011.
- (f) "DCH" means the department of community health.
- (g) "Department" means the department of human services.
- (h) "Director" means the director of the department of human services.
- (i) "DTMB" means the department of technology, management, and budget.
- (j) "ECIC" means early childhood investment corporation.
- (k) "FMAP" means federal medical assistance percentage.
- (l) "FTE" means full-time equated.
- (m) "IDG" means interdepartmental grant.
- (n) "JET" means jobs, education, and training program.
- (o) "Previous fiscal year" means the fiscal year ending September 30, 2010.
- (p) "RSDI" means retirement survivors disability insurance.
- (q) "SSI" means supplemental security income.
- (r) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (s) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.
- (t) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (u) "VA" means veterans affairs.

Sec. 204. The civil service commission shall bill the department at the end of the first fiscal quarter for up to 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. 207. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

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

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

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

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

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

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

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

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

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

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

(2) On a bimonthly basis, the department shall report on the number of FTEs in pay status by type of staff. The department shall identify which FTEs are designated as limited-term staff.

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

Sec. 216. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1 of the current fiscal year a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2011. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

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

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

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

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

and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

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

(3) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify additional TANF maintenance of effort sources from all of the following, but not limited to:

(a) Other departments.

(b) Local units of government.

(c) Private sources.

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

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

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

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

(3) As used in this section:

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

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

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

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

Sec. 225. Lease number 2773 located at 14000 Schoolcraft Avenue, Detroit, Michigan, shall be canceled effective November 30, 2010 at 11:59 p.m.

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

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

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

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

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

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

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

Sec. 274. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the day the governor submits to the legislature the budget for the ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2011 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:

- (a) TANF.
- (b) Child care and development funds.
- (c) Title XX social services block grant.
- (d) Title IV-B part I child welfare services block grant.
- (e) Title IV-B part II promoting safe and stable families funds.

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

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

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

Sec. 279. (1) All contracts relating to human services shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.

(2) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

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

(a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by information technology project.

(b) The amounts of appropriations carried forward as work projects from previous fiscal years for information technology projects.

(c) A listing of the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

(d) A narrative describing anticipated information technology needs for the department in future years.

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

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

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

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

Sec. 287. (1) The department shall work collaboratively with the child death review board and court system to improve communication and coordination between entities on the review and examination of child death in Michigan.

(2) The department shall notify the children's ombudsman within 1 business day after a child dies if any of the following apply:

(a) The child died during an active child protective services investigation or an open child protective services case.

(b) The department received a prior child protective services complaint concerning the child's caretaker.

(c) The child's death may have resulted from child abuse or neglect.

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

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

Sec. 289. The department shall pay a private child placing agency or child caring institution all verified and agreed to overdue payments for foster care and juvenile justice services provided to eligible youth under contract with the department.

Sec. 291. By November 1, 2010, the department shall submit a report to the house and senate appropriations subcommittees on the human services budget and the house and senate fiscal agencies on the Michigan home based child care council (MHBCCC). The report shall include all money that the department has processed, distributed, and transferred to the MHBCCC that is related to union dues for any contract to which this state is not a party, all money sent to MHBCCC or any successor organization, and any payment that has been made to the grantee designated by the agency designation administrative 10-9909 as reported by the Michigan state administrative board. The report shall cover all money provided to the MHBCCC through September 30, 2010. Beginning on January 1, 2011, the department shall, within 30 days after the end of each quarter, provide the same information required for the November 1, 2010 report for the quarter to the same recipients.

Sec. 292. By November 1, 2010, the department shall submit a report to the house and senate appropriations subcommittees on the human services budget and the house and senate fiscal agencies regarding the child development and care program. The report shall include all of the following:

(a) Number of eligible child care providers by type receiving payment for child care services from the department on October 1, 2008.

(b) Number of eligible child care providers by type receiving payment for child care services from the department on October 1, 2010.

Sec. 293. The department may use money from the money appropriated in part 1 to strengthen marriage and family relations through the practice of marriage and family therapy for individuals, families, couples, or groups. The goal of the therapy shall be strengthening families by helping them avoid, eliminate, relieve, manage, or resolve marital or family conflict or discord.

Sec. 295. (1) From the money appropriated in part 1 for information technology services and projects, the department shall allocate \$300,000.00 to modify the "Bridges" eligibility system to permit greater cooperation between the department of state police and department's office of inspector general in identifying individuals with criminal justice disqualifications for program eligibility inappropriately accessing benefits.

(2) The department shall ensure that the integration of the "Bridges" eligibility system into the law enforcement information network system is completed by July 1, 2011.

(3) By September 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices on the number of individuals with criminal justice disqualifications inappropriately accessing benefits that were identified through the use of the "Bridges" and the law enforcement information network system.

Sec. 296. Not later than October 15, 2011, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

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

### **EXECUTIVE OPERATIONS**

Sec. 305. From the money appropriated in part 1 for demonstration projects, the department shall allocate \$100,000.00 to support youthville Detroit.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$550,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

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

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

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

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

Sec. 311. (1) The department shall administer licensing and regulation of licensees with the following standards:

(a) The highest priority shall be given to licensing activities that present the highest risk to vulnerable children or adults receiving services of licensees.

(b) Licensees shall be required to adhere to state law and departmental policy.

(c) The department shall use performance standards and measures that are clearly explained to licensees or providers.

(d) The department shall use goals of higher quality, greater efficiency, and wider availability of services.

(e) The department shall provide clear and known opportunities for licensees and providers to raise questions or concerns about regulations and enforcement.

(f) The department shall provide effective outlets for judges and court employees to communicate and receive attention to concerns or questions about licensed or regulated providers.

(2) The department shall use standards and measures similar to those in subsection (1) for services it provides or administers that are similar to those provided by licensees.

Sec. 313. From the money appropriated in part 1 for demonstration projects, the department shall allocate \$300,000.00 to support the conductive learning center.

### **ADULT AND FAMILY SERVICES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CHILDREN'S SERVICES**

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

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

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

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) For a child adopted before the age of 16, has not yet reached his or her nineteenth birthday.
- (d) For a child adopted at or after the age of 16, has not yet reached his or her twentieth birthday.

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

Sec. 505. (1) The department shall continue to implement a plan to provide client-centered results-oriented foster care programs.

(2) The department shall provide a quarterly report to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices outlining this state's performance in meeting the mandated measures for placement stability, timeliness of reunification, permanency of reunification, and timeliness of adoptions and other measures mandated in the children's rights settlement agreement.

(3) As part of the quarterly report described in subsection (2), the department shall include the number of private agencies allowed to conduct their own staff training, including the number of private agency training staff, as allowed under section 585.

(4) By March 1, 2011, the department and Wayne County shall provide to the senate and house appropriations committees on the department budget and the senate and house fiscal agencies and policy offices a report for youth served in the previous fiscal year and in the first quarter of the current fiscal year outlining the number of youth served within each juvenile justice system, the type of setting for each youth, performance outcomes, and financial costs or savings.

(5) By November 1, 2011, the department shall post on the department's website a list of all relevant departmental training materials available to private child placing agencies that are allowed to conduct their own training in accordance with section 585. The department shall also provide to private child placing agencies that are allowed to conduct their own training any updated training materials as they become available.

Sec. 506. (1) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by February 1 of the current fiscal year detailing changes in program policy, outcome measurement, and training by the department and courts to meet the requirements of the fostering connections to success and increasing adoptions act of 2008, Public Law 110-351, 122 Stat. 3949.

(2) By February 1 of the current fiscal year, the department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing recent department communication with the federal government related to the provision of foster care, juvenile justice, and adoption services. The report shall include information detailing federal recommendations made to the department and courts, any sanction or warning of possible future sanction assessed on this state by the federal government, the status of the performance improvement plan submitted to the federal government, and efforts by the department to increase federal financial support for children's services in this state.

Sec. 507. 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 may include revenues collected during the current fiscal year for services provided in prior fiscal years.

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

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

the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the deputy director for children's services. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.
- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.

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

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

(4) Projects funded through the appropriation provided for in subsection (2) shall 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 department.

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

- (a) The average cost per recipient served.
- (b) Measurable performance indicators.
- (c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results.
- (e) Innovations that may include savings or reductions in administrative costs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150.

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

Sec. 540. The department shall issue a request for proposals for treatment foster care services and/or group homes no later than January 1 of the current fiscal year. The request for proposals for treatment foster care shall be based on standards established by the legislatively established public/private specialized foster care subcommittee in 2005. Each nonprofit agency that has an existing foster care contract with the state of Michigan shall be eligible to respond to the request for proposals, with a goal that services be part of a continuum of services offered by the nonprofit agency.

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

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

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

(3) The department shall calculate and report by December 1 of the current fiscal year to the house and senate appropriations subcommittees on the department budget on the cost of care, on a per diem basis, for foster care services delivered directly by the department.

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

Sec. 556. The department shall submit a quarterly report by February 1, May 1, August 1, and November 1 of each fiscal year to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the senate and house policy offices that includes all of the following:

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

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

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

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

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

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

Sec. 565. (1) From the funds appropriated in part 1 for federally funded family preservation programs, the department shall allocate \$1,600,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

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

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

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

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

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

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

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

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

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

Sec. 570. (1) From the money appropriated in part 1 for the guardianship assistance program, the department shall provide assistance under this program to children who are eligible under section 3 of the guardianship assistance act, 2008 PA 260, MCL 722.873.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 580. The department and the department of community health shall initiate efforts to identify mental health programs and activities where the services of the 2 departments overlap, or are uncoordinated. The goal shall be to provide adequate and stable mental health services which address the need of the individual child without duplicative, confusing, or needlessly complex services. The department shall report on these coordination efforts with the department of community health during the annual budget presentations to the senate and house appropriations subcommittees with jurisdiction over the department budget.

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

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

(2) The additional revenue shall be used by private adoption agencies to increase the number of adoption workers to a level sufficient to meet the 15:1 cases-to-worker ratio requirements for adoption workers within the children's rights settlement agreement.

Sec. 582. On the first working day of February and August, for the preceding 6 months, the department shall submit a comprehensive child welfare improvement report, compiling material required by each section of this act related to child

welfare. This report will be provided to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director and will provide an overview of the status of all initiatives the department is required to carry out by this appropriation act and the impact of those initiatives on meeting the benchmarks established in the federal child and family service review process and the requirements established in the children's rights settlement agreement. The report may include information about other initiatives of the department and its service delivery partners which support improvements in safety, permanency, and well-being for the children and families served by Michigan's child welfare system.

Sec. 583. By February 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the number of individuals participating as foster parents during the previous fiscal year who dropped out of the program. The report shall also provide explanatory data on the primary reasons that foster parents chose to leave the program.

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

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

Sec. 586. (1) The department shall request a modification of the staffing requirement imposed by the children's rights settlement agreement. The modification would permit the department to ensure that 95% of purchase of service monitors will have a caseload of no more than 90 cases in the current fiscal year.

(2) The department shall evaluate the effectiveness of the purchase of service monitoring function to do all of the following:

- (a) Eliminate tasks that are duplicative in nature.
- (b) Establish standards for the duties of all purchase of services workers, including responsibilities to attend review hearings, frequency of conducting visits with children and families, and other county-by-county differences that currently exist.
- (c) Review and approve case practice decisions in a timely manner to avoid delays in providing services to families and achieving permanency.

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

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

Sec. 588. (1) Concurrent with public release, the department shall transmit all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, without revision.

(2) The department shall report monthly to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, on the number of children enrolled in the guardianship assistance and foster care - children with serious emotional disturbance waiver programs.

Sec. 589. From the money appropriated in part 1 to facilitate the transfer of foster care cases currently under department supervision from department supervision to private child placing agency supervision, the department shall not transfer any foster care cases that require a county contribution to the private agency administrative rate.

**PUBLIC ASSISTANCE**

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

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

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

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

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

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

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

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

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

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

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

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

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

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

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

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

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

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

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

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

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

Sec. 607. (1) 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 may include revenues collected during the current year that are prior year related and not a part of the department's accrued entries.

(2) The department may use supplemental security income recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

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

Sec. 611. A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed \$4,000.00.

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

Sec. 613. (1) From the money appropriated in part 1 for indigent burial, the maximum allowable reimbursement limit for indigent burials shall be \$700.00, which shall be distributed as follows:

- (a) \$455.00 to the funeral director.
- (b) \$145.00 to the cemetery or crematorium.
- (c) \$100.00 to the provider of the vault.

(2) From the money appropriated in part 1 for indigent burial, the department may work with funeral directors to establish a regional or statewide pilot program that would include the following elements:

(a) The project shall provide funding only for the direct cremation of bodies of indigent persons that are not claimed by a person who has the right to control the disposition of the body.

(b) The payment to a funeral director for these services shall be \$800.00 plus mileage reimbursement for transportation costs at the standard rate established by the department of technology, management, and budget for travel reimbursement for nonstate vehicles and the cost of the cremation permit.

(c) The department may deviate from the payment limits established in subsection (1) in making payments under the program.

(d) The department shall forward a copy of the program to the senate and house of representatives appropriations subcommittees with jurisdiction over the department budget.

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

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

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

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

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

- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.
- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.
- (j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.
- (k) A recipient is disqualified for intentional program violation.
- (l) When the department's negative action is upheld in an administrative hearing.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 21 USC 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

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

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

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

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

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child development and care, the department shall determine whether the child care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child development and care payments.

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

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

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall allocate \$3,000,000.00 for the operation of a statewide before- and after-school program targeted to children in kindergarten through ninth grade. To be eligible to be part of the statewide program, a program must serve geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and be included in the AYP plans of the affected school districts as a means to improve outcomes and serve children living in households with income below 200% of the federal poverty guidelines as established by the United States department of health and human services.

(2) The department shall require an applicant for before- and after-school funding under this section to demonstrate how its program would facilitate extensive involvement with the parents of children served by the program and to show how other programming being offered on the site would enhance the before- and after-school funding. Priority for funding shall be given to programs that can demonstrate effectiveness in these areas.

(3) The department shall evaluate each before- and after-school program that is part of the statewide program with special emphasis on the academic accomplishments and attendance records of program participants.

Sec. 659. The department may provide staff support to the Kent school services network to assist in addressing the multiple needs of children and families at community schools. The department may also participate in the expansion of

this program in Kent County as well as other areas of the state that may use the Kent school services network program as a model.

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

Sec. 665. The department shall partner with the department of transportation and may partner with other entities to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal and state earned income tax credit.

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

(2) The department shall allocate up to \$12,751,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

(3) The department shall take steps to inform family independence program recipients eligible for the allowance under subsection (2) that the money is to be used for clothing for eligible children.

Sec. 671. Not later than January 1, 2011, the department shall impose a sanctions policy for criminal or fraudulent behavior for the child development and care program.

Sec. 672. (1) The department shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by May 1 of the current fiscal year on department efforts to reduce inappropriate use of electronic benefit transfer cards. The department shall provide information on the number of recipients of services who used their electronic benefit transfer card inappropriately and the current status of each case.

(2) As used in this section, "inappropriate use" means not used to meet a family's ongoing basic needs, including food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

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

Sec. 674. (1) The department shall continue administrative efforts to reduce waste, fraud, and abuse within the child development and care program. Beginning December 31 of the current fiscal year, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the estimated impact of efforts to reduce inappropriate payments through the child development and care program.

(2) The department may contract with a private entity to utilize information technology or other methods of management and oversight of child development and care payments to ensure that payments made through the child development and care program are accurate and appropriate.

Sec. 675. (1) The department shall establish a 1-time basic training requirement for all enrolled child development and care aides and relative care providers. All enrolled providers will be required to complete the basic training requirement in order to be eligible for state child development and care reimbursement payments.

(2) The department shall ensure that additional annual training beyond the basic training requirement is available for enrolled providers and shall make enhanced reimbursement payments to enrolled providers who complete at least 10 hours of optional annual training as outlined in subsection (3).

(3) From the money appropriated in part 1 for licensed and registered child development and care and enrolled child development and care, the department shall make payments to child care providers in accordance with the provisions of this subsection. The maximum hourly rates paid to child care providers shall vary depending upon provider type and the age of the child in care as outlined below:

(a) For children up to 2-1/2 years old, the maximum hourly rate, including the infant and toddler incentive, shall be as follows:

(i) For child care centers, \$3.75.

(ii) For family child care homes and group child care homes, \$2.90.

(iii) For enrolled providers who complete 10 hours of annual training, \$2.20.

(iv) For enrolled providers who do not complete 10 hours of annual training, \$1.85.

(b) For children over the age of 2-1/2 years, the maximum hourly rate shall be as follows:

(i) For child care centers, \$2.50.

(ii) For family child care homes and group child care homes, \$2.40.

(iii) For enrolled providers who complete 10 hours of annual training, \$1.85.

(iv) For enrolled providers who do not complete 10 hours of annual training, \$1.60.

(4) The department shall establish policies and rules for determining eligibility for the enhanced reimbursement payments to enrolled providers who complete 10 hours of annual training and shall ensure that the policies and rules are communicated to all enrolled providers that receive state reimbursement payments.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 shall be used to support the Michigan after-school partnership and to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in JET employment activities and an estimate of the current percentage of FIP cases that meet federal work participation requirements. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 15 of each year and shall contain at least the following information:

(a) Detail of the amounts of grants awarded.

(b) The grant recipients.

(c) The activities funded by each grant.

(d) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All ECIC contracts for comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

Sec. 679. If money becomes available, the department shall provide \$250,000.00 to the boys and girls club of Michigan from the child care services grants and contracts line in part 1.

Sec. 682. The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy staffs by February 1 of the current fiscal year regarding the JET program savings for the previous fiscal year and the details on the proposed use of that money.

Sec. 683. (1) From the money appropriated in part 1 for SSI advocacy, \$300,000.00 shall be paid to the Michigan state bar foundation for SSI advocacy services provided by the legal services association of Michigan for cases which had been referred prior to October 1, 2011, but which are not yet settled, completed, or resolved. The department shall develop a payment system for these cases which allows the legal services association of Michigan to retain prepayments authorized under this section and other payments under section 44 of the social welfare act, 1939 PA 280, MCL 400.44.

(2) Beginning October 1, 2010, the department may refer cases needing additional SSI legal assistance to the legal services association of Michigan. The referral shall notify the client that legal assistance provided by the legal services association of Michigan may be eligible to receive as a fee a portion of the client's SSI lump-sum payment from the social security administration as authorized by section 44 of the social welfare act, 1939 PA 280, MCL 400.44.

(3) Any department client of state disability assistance or family independence program services who desires or needs additional SSI legal assistance beyond what can be provided by the department shall be given a copy of a notice that includes the name and contract information for the geographically appropriate legal services program for the area of his or her residence. The notice shall include a statement that this legal assistance may be paid in part by a lump-sum SSI payment from the social security administration as authorized by section 44 of the social welfare act, 1939 PA 280, MCL 400.44.

(4) The department shall work with the legal services association of Michigan to develop a process by which clients who already have legal representation are identified as not referred to the legal services association of Michigan.

(5) The department shall work with the legal services association of Michigan to develop a streamlined process by which medical and legal records necessary for the legal representation can be more readily shared.

Sec. 685. (1) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house appropriations subcommittees with jurisdiction over the department of community health budget, on the number of recipients that applied for Medicaid coverage, the number of recipients that were approved for Medicaid coverage, and the number of recipients that were denied Medicaid coverage. The report shall describe these statistics comparing the current and previous fiscal years and summarize department programs to assist persons in applying for Medicaid.

(2) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house subcommittees with jurisdiction over the department of community health budget, on the number of applicants for home help services. The department shall give a summary report on the number of approved applications, denied applications, pending applications, and the number of applications in which the applicant was eligible for nursing home services.

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall explore changes in program policies to ensure that caseworkers confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

(3) The department shall explore changes in program policy that would ensure that individuals with property assets assessed at a value higher than \$500,000.00 would not be able to access assistance through department-administered programs.

(4) The department shall modify program policy to ensure that caseworkers request an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 688. The department in conjunction with Michigan works! shall examine and report on the incidence of reported barriers among families terminated from the family independence program because of noncompliance with work-related requirements. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by April 1 of the current fiscal year.

Sec. 691. The department shall not distribute public assistance or subsidies to the parent or parents of school-age children if that parent or those parents have not signed a parent, student, teacher compact outlining the role of each party in the educational success of the student as required by the federal no child left behind act of 2001, Public Law 107-110.

Sec. 695. The funds appropriated in part 1 for food assistance program benefits (ARRA) that are financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature.

Sec. 696. From the money appropriated in part 1, the department shall allocate \$100.00 to the Chaldean community foundation. This money shall be utilized to provide translation services, health care services, youth tutoring and mentoring programs, and refugee resettlement services.

#### **JUVENILE JUSTICE SERVICES**

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. The department will provide a unified data collection mechanism to ensure consistent reporting of aggregate case information from the courts. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.
- (d) Trends in census and population demographics.
- (e) Staff and resident safety.
- (f) Facility profile.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

(a) Actual cost and actual days of care by facility for the most recently completed fiscal year. This report shall also include the actual number of youth served as well as demographic information.

- (b) Actual cost per day per youth by facility for the most recently completed fiscal year.

(c) An analysis of the variance between the estimated cost and days of care assumed in the original appropriation and the figures in subdivisions (a) and (b).

(d) Both the number of authorized FTE positions for each facility and the number of actual on-board FTE positions for the most recently completed fiscal year.

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

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. (1) As a condition of receiving money appropriated in part 1 for the child care fund line item, by February 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by December 15 of the current fiscal year for approval. The department shall approve within 30 calendar days after receipt a properly completed service plan that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(2) The department shall provide a report on the number of counties that fail to submit a service spending plan by December 15 of the current fiscal year. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices by February 15 of the current fiscal year.

Sec. 717. (1) If funds become available, the department shall contract with a state university to conduct a behavioral health study of juvenile justice facilities operated or contracted for by the state. The study shall utilize diagnostic clinical interviews with and records reviews for a representative random sample of juvenile justice system detainees to develop a report on each of the following:

(a) The proportion of juvenile justice detainees with a primary diagnosis of emotional disorder, the percentage of those detainees considered to currently require mental health treatment, and the proportion of those detainees currently receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those detainees.

(b) The proportion of juvenile justice detainees with a primary diagnosis of addiction disorder, the percentage of those detainees considered to currently require substance abuse treatment, and the proportion of those detainees currently receiving substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of residential and outpatient care, of the type of substance abuse services provided to those detainees.

(c) The proportion of juvenile justice detainees with a dual diagnosis of emotional disorder and addiction disorder, the percentage of those detainees considered to currently require treatment for their condition, and the proportion of those detainees currently receiving that treatment, including a description and breakdown, encompassing, at a minimum, the categories of mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, and substance abuse outpatient, of the type of treatment provided to those detainees.

(d) Data indicating whether juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder were previously hospitalized in a state psychiatric hospital for persons with mental illness. These data shall be broken down according to each of these 3 respective categories.

(e) Data indicating whether and with what frequency juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder have been detained previously. These data shall be broken down according to each of these 3 respective categories.

(f) Data classifying the types of offenses historically committed by juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder. These data shall be broken down according to each of these 3 respective categories.

(g) Data indicating whether juvenile justice detainees have previously received services managed by a community mental health program or substance abuse coordinating agency. These data shall be broken down according to the respective categories of detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder.

(2) The report referenced under subsection (1) would be provided not later than June 30 of the current fiscal year to the senate and house appropriations subcommittees on human services, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 720. (1) The department shall implement the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(2) The department shall allocate money to public and private providers of juvenile justice services based on their ability to demonstrate results in all of the following:

- (a) Lower recidivism rates.
- (b) Higher school completion rates or GED completion rates.
- (c) Shorter average stays in a residential facility.
- (d) Lower average actual cost per resident.
- (e) Availability of appropriate services to residents.

(3) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

Sec. 721. The department shall report to the house and senate appropriations subcommittees on the department budget by October 1 of the current fiscal year on the placement of juvenile offenders who need services in community-based or privately operated facilities.

Sec. 723. A private provider of juvenile services may receive funding for both secure and nonsecure services if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level.

Sec. 726. (1) Beginning October 1, 2007, from the money appropriated in part 1 for foster care payments and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

(2) A provider of residential services for juvenile justice and abused or neglected youth shall not receive a daily rate less than \$137.00.

#### **LOCAL OFFICE SERVICES**

Sec. 750. (1) The department shall maintain out-stationed eligibility specialists in community-based organizations, nursing homes, and hospitals unless a community-based organization, nursing home, or hospital requests that the program be discontinued at its facility.

(2) The department shall continue to develop and expand opportunities for applicants for department assistance or services to apply for the assistance or services over the Internet.

Sec. 751. (1) From the funds appropriated in part 1, the department may implement school-based family resource centers based on the following guidelines:

(a) The center is supported by the local school district.

(b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

(c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

(2) The department shall notify the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

(d) The financial implications for expansion, including funding sources.

Sec. 752. If sufficient funding becomes available from local sources, the department shall support the operation of 2 additional family resource centers in Genesee County, 3 additional family resource centers in Kent County, and 1 additional family resource center in Ingham County.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1 of the current fiscal year on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including timelines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing

committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 754. From the money appropriated in part 1, the department shall provide \$850,000.00 to contract with a vendor for a customer service resource center. The customer service resource center shall be operational by April 1, 2011 and will assist in screening calls to county offices in order to allow caseworkers to devote more time to eligibility determination and case management activities. Staff duties at the customer service resource center shall include answering routine inquiries from clients and applicants and providing application assistance.

Sec. 755. From the money appropriated in part 1 within the field staff, salaries and wages line item for 200 limited-term eligibility full-time employees, the department shall inform all employees hired with these funds that their employment is temporary and should not be considered permanent. Any temporary employee hired may be given preference by the department for hiring if a suitable full-time permanent position becomes available within the department.

Sec. 756. The money appropriated in part 1 for limited-term field staff, salaries and wages shall only be expended to support the addition of 50 new limited-term eligibility specialist positions to be hired on or after January 1, 2011 and another 50 new limited-term eligibility specialist positions to be hired on or after April 1, 2011. However, no expenditures shall be made from this authorization until after the department has a signed contract with a vendor to establish a customer service resource center as required under section 754, and no expenditures shall be made from this authorization for the 50 limited-term eligibility specialist positions to be hired on or after April 1, 2011 until a customer service resource center as required under section 754 is operational.

Sec. 757. (1) The department shall collect data from each county office to evaluate whether the department efficiently and accurately meets the needs of public assistance applicants who have language barriers.

(2) Based on the data collected under subsection (1), the department shall review the current number of interpreter contracts to determine whether the current level of interpreter services is sufficient and whether the allocation of qualified interpreters across county offices is appropriate. The department shall create an assignment system for bilingual caseworkers that ensures placement of bilingual caseworkers in offices where the need is the greatest based on the number of bilingual client cases.

#### **DISABILITY DETERMINATION SERVICES**

Sec. 801. The department disability determination services in agreement with the DTMB office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and schoolteachers.

#### **CHILD SUPPORT ENFORCEMENT**

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of \$26,500,000.00.

(2) From the federal money received for child support incentive payments, \$12,000,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, \$14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in 45 CFR 305.2.

(4) If the child support incentive payment to the state from the federal government is greater than \$26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches \$15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than \$26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from prior fiscal years.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide semiannual reports to the legislature concerning money expended and improvements made as a result of this section.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1 of the current fiscal year. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during the current fiscal year. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

Sec. 909. (1) If statewide retained child support collections exceed \$38,300,000.00, 75% of the amount in excess of \$38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess.

(3) Payments to counties participating in projects pursuant to section 907 shall be reduced by the amount paid to the vendor. This authorization adjustment shall be made upon notification of the chairs of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director.

Sec. 910. (1) If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

(2) The department shall notify the chairs of the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies within 15 days of the authorization adjustment in subsection (1).

#### **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

Sec. 1101. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 1102. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31 of the current fiscal year, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 1104. The department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

Sec. 1105. The department shall report quarterly to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office by February 1, May 1, August 1, and November 1 of each fiscal year on the number of homes weatherized through the appropriations in section 104 during the preceding quarter of the calendar year.

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

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2011; 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.

Dudley Spade  
George Cushingberry, Jr.  
Conferees for the House

Bill Hardiman  
Roger Kahn  
Conferees for the Senate

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

Senator Cropsey moved that the rule be suspended.

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

The question being on the adoption of the conference report,

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

**Roll Call No. 499****Yeas—21**

Barcia	Garcia	Jelinek	Richardville
Basham	George	Kahn	Sanborn
Birkholz	Gleason	Nofs	Stamas
Bishop	Hardiman	Olshove	Switalski
Brater	Jansen	Pappageorge	Van Woerkom
Brown			

**Nays—17**

Allen	Clarke	Jacobs	Prusi
Anderson	Cropsey	Kuipers	Scott
Cassis	Gilbert	McManus	Thomas
Cherry	Hunter	Patterson	Whitmer
Clark-Coleman			

**Excused—0****Not Voting—0**

In The Chair: President

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**Protest**

Senator Scott, under her constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on House Bill No. 5882 and moved that the statement she made during the discussion of the conference report be printed as her reasons for voting “no.”

The motion prevailed.

Senator Scott’s statement is as follows:

I am going to oppose this budget, and I urge my colleagues to do the same. While the budget is improved from the point when it left this body in Senate Bill No. 1158, there are still many flaws.

This budget continues to move all adoption cases to private agencies and increases by at least 15 percent the number of foster care cases moving to private agencies. There continues to be questions regarding the capacity and capability of these private agencies to manage this shift. At the same time, we are sending a 36 percent administrative rate increase to these agencies to try to help them accommodate the new caseload. Instead, I suggest we could keep state workers with good pay and benefits doing this work, rather than undercut state workers by moving the work to lesser-paid private positions with lower benefits.

I am grateful for hiring state positions elsewhere in this budget. However, many of them are limited term and are funded with temporary dollars, so their positions are threatened even as they begin work. Child care providers are having their training slashed by \$12 million. The Maxey center is being cut again by \$2 million, resulting in the layoff of 24 staff. Jet Plus did finally win some funding in this budget, but at \$8.5 million, I am afraid this will not help this innovative job training program reach enough of our long-term unemployed. Remember, I always say me today and you tomorrow. Well, the tomorrow has caught up with a lot of folks.

On a more general level, I am disturbed by our lack of support for those in our state who have fallen on hard times and are struggling to make ends meet. Too often, they are met with hostility or disdain. I think with more training, lower caseloads, better technology, and greater effort at distributing our resources equally, this department could do a much better job, and our citizens could get the help they need without feeling degraded by asking for assistance.

Of course, these items mean we need to put more dollars, more resources into this budget. While I have great respect for the chairman of the subcommittee and his commitment to helping those most in need, I have to say that my concerns are not heard in the budget process. Too often, as was the case with this conference report, I am told what the result is rather than consulted about possible solutions to the problems addressed by DHS.

I hope that in the future, more focus can be brought to bear on delivering services with sensitivity and compassion. For now, I am left with voting “no” on this conference report.

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

The motion prevailed.

Senator Hardiman’s statement is as follows:

This Department of Human Services budget is one of the most important that we will vote on. In these very difficult economic times, we have seen large increases in caseloads as our neighbors lose their jobs, homes, and struggle to get through. As a state, we are also challenged by the requirements of a federal court settlement on foster care. Much of this budget is driven by these two forces. This budget addresses those challenges.

There are other provisions that we can be proud of. There is more funding for online applications and a call center to help people access services, but relieves part of the strain on our local offices. I am told that our caseworkers have an average of 700 cases per caseload now. These measures in the budget will help us respond to that without adding more staff.

The budget also responds to public concerns by adding new inspector general staff and linking the Bridges program with the LEIN system. Both of these measures will help ensure that the needy and deserving will get taxpayer assistance. The budget also makes contributions toward our welfare-to-work efforts and the scaled-down JET Plus. This is less than the Governor desired, but a reasonable outcome.

There are a lot of other good things in the budget, but there are also cuts. I will say that there is an item that I am not in favor of. It is the continued funding of the Michigan Home Based Child Care Council and withdrawing the union dues that come out of this budget. The Senate-passed version did not have this, but unfortunately, even with amendments, I was not able to put this in the conference report. Nevertheless, I ask for your support of this conference report.

#### **Recess**

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

The motion prevailed, the time being 3:22 p.m.

3:30 p.m.

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

Senator Cropsey moved that a respectful message be sent to the House of Representatives requesting the return of the following bill:

**House Bill No. 5409**

The motion prevailed.

#### **Recess**

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

The motion prevailed, the time being 3:31 p.m.

4:16 p.m.

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

By unanimous consent the Senate returned to the order of

#### **General Orders**

Senator Cropsey moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Cherry, designated Senator Jansen as Chairperson.

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

**House Bill No. 6007, entitled**

A bill to amend 1998 PA 58, entitled “Michigan liquor control code of 1998,” by amending sections 525 and 537 (MCL 436.1525 and 436.1537), as amended by 2008 PA 218, and by adding section 545.

Substitute (S-11).

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

1. Amend page 55, line 7, after “of” by striking out the balance of the line through “December 26.” on line 8 and inserting “**11:59 P.M. ON DECEMBER 24 AND 12 NOON ON DECEMBER 25.**”.

2. Amend page 57, line 5, after “**SHALL**” by inserting “**OBTAIN A PERMIT AND**”.

3. Amend page 57, line 10, after “first” by inserting “**OBTAINS A PERMIT AND**”.

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

By unanimous consent the Senate returned to the order of

**Third Reading of Bills**

Senator Cropsey 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. 6007**

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

The following bill was read a third time:

**House Bill No. 6007, entitled**

A bill to amend 1998 PA 58, entitled “Michigan liquor control code of 1998,” by amending sections 109, 111, 113, 113a, 205, 307, 513, 525, 537, 543, 603, 609, 1025, 1027, 1111, 1113, 1114, and 1115 (MCL 436.1109, 436.1111, 436.1113, 436.1113a, 436.1205, 436.1307, 436.1513, 436.1525, 436.1537, 436.1543, 436.1603, 436.1609, 436.2025, 436.2027, 436.2111, 436.2113, 436.2114, and 436.2115), sections 111, 525, 537, and 1027 as amended by 2008 PA 218, sections 113 and 543 as amended and section 113a as added by 2005 PA 269, section 205 as amended by 2001 PA 274, section 513 as amended by 2009 PA 48, section 603 as amended by 2009 PA 2, section 1025 as amended by 2008 PA 11, and section 1113 as amended and section 1114 as added by 2004 PA 134, and by adding sections 545 and 546.

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. 500**

**Yeas—25**

Anderson	Gilbert	McManus	Sanborn
Barcia	Gleason	Nofs	Scott
Basham	Hunter	Olshove	Stamas
Bishop	Jacobs	Pappageorge	Switalski
Cherry	Kahn	Prusi	Thomas
Clark-Coleman	Kuipers	Richardville	Whitmer
Clarke			

**Nays—13**

Allen	Cassis	George	Jelinek
Birkholz	Cropsey	Hardiman	Patterson
Brater	Garcia	Jansen	Van Woerkom
Brown			

**Excused—0**

**Not Voting—0**

In The Chair: President

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

The recommendation was not concurred in, 2/3 of the members serving not voting therefor.

Senator Cropsey 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 a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

By unanimous consent the Senate returned to the order of

**Conference Reports****House Bill No. 5880, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2011; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

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

The Conference Report was read as follows:

**FIRST CONFERENCE REPORT**

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

**House Bill No. 5880, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2011; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal years ending September 30, 2010 and September 30, 2011; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds,

programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**TOTAL GENERAL GOVERNMENT**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	43.0	
Full-time equated classified positions .....	7,666.2	
<b>GROSS APPROPRIATION</b> .....		\$ 3,321,660,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		644,781,100
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 2,676,879,000
Federal revenues:		
Total federal revenues.....		277,499,300
Special revenue funds:		
Total local revenues.....		3,434,400
Total private revenues.....		1,414,500
Total other state restricted revenues .....		1,804,038,200
State general fund/general purpose .....		\$ 590,492,600

**Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	514.0	
<b>GROSS APPROPRIATION</b> .....		\$ 73,413,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		21,300,300
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 52,112,800
Federal revenues:		
Total federal revenues.....		8,565,700
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		14,987,700
State general fund/general purpose .....		\$ 28,559,400

**(2) ATTORNEY GENERAL OPERATIONS**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	514.0	
Attorney general.....		\$ 115,800
Unclassified positions—5.0 FTE positions .....		476,300
Attorney general operations—477.0 FTE positions .....		66,953,100
Child support enforcement—25.0 FTE positions .....		2,959,700
Prosecuting attorneys coordinating council—12.0 FTE positions .....		2,032,100
<b>GROSS APPROPRIATION</b> .....		\$ 72,537,000

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDCH, health services .....		1,968,700
IDG from MDCH, WIC .....		73,500
IDG from department of corrections .....		503,800
IDG from MDE .....		302,500
IDG from MDELEG, career education services .....		196,100
IDG from MDELEG, children’s protection registry .....		39,100
IDG from MDELEG, financial and insurance services.....		1,101,900

	For Fiscal Year Ending Sept. 30, 2011
IDG from MDELEG, licensing and regulation fees.....	\$ 188,700
IDG from MDELEG, Michigan occupational safety and health administration.....	100,800
IDG from MDELEG, Michigan state housing development authority.....	515,700
IDG from MDELEG, remonumentation fees .....	81,100
IDG from MDHS.....	3,452,400
IDG from MDMVA .....	125,500
IDG from MDNRE.....	1,830,400
IDG from MDOT, comprehensive transportation fund.....	169,100
IDG from MDOT, state aeronautics fund.....	165,900
IDG from MDOT, state trunkline fund .....	2,817,500
IDG from MDSP .....	307,600
IDG from MDSP, Michigan justice training fund .....	325,000
IDG from MDTMB .....	198,600
IDG from MDTMB, civil service commission .....	300,600
IDG from MDTMB, risk management revolving fund .....	1,417,100
IDG from treasury .....	4,982,500
IDG from treasury, Michigan strategic fund .....	136,200
Federal revenues:	
DAG, state administrative match grant/food stamps .....	413,300
Federal funds.....	2,591,600
HHS, medical assistance, medigant .....	645,100
HHS-OS, state Medicaid fraud control units .....	4,815,700
National criminal history improvement program .....	100,000
Special revenue funds:	
Antitrust enforcement collections.....	656,600
Assigned claims assessments.....	126,800
Attorney general's operations fund .....	940,900
Auto repair facilities fees .....	249,300
Franchise fees.....	316,500
Game and fish protection fund.....	797,100
Liquor purchase revolving fund .....	1,112,600
Manufactured housing fees.....	207,400
Merit award trust fund.....	408,600
Michigan employment security act - administrative fund.....	1,704,500
Prisoner reimbursement.....	491,700
Prosecuting attorneys training fees.....	375,000
Public utility assessments.....	1,802,700
Real estate enforcement fund .....	549,100
Reinstatement fees.....	167,500
Retirement funds .....	794,300
Second injury fund .....	1,050,700
Self-insurers security fund.....	173,300
Silicosis and dust disease fund.....	533,000
State building authority revenue.....	104,200
State casino gaming fund .....	1,179,000
State lottery fund.....	263,100
Utility consumers fund.....	595,400
Waterways fund .....	106,600
Worker's compensation administrative revolving fund .....	281,800
State general fund/general purpose .....	\$ 27,683,300
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 876,100
GROSS APPROPRIATION .....	\$ 876,100
Appropriated from:	
State general fund/general purpose .....	\$ 876,100

For Fiscal Year  
Ending Sept. 30,  
2011

**Sec. 103. DEPARTMENT OF CIVIL RIGHTS**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	5.0	
Full-time equated classified positions .....	113.0	
<b>GROSS APPROPRIATION</b> .....		\$ 12,778,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 12,778,700
Federal revenues:		
Total federal revenues.....		1,750,000
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		53,000
State general fund/general purpose .....		\$ 10,975,700

**(2) CIVIL RIGHTS OPERATIONS**

Full-time equated unclassified positions.....	5.0	
Full-time equated classified positions .....	113.0	
Unclassified positions—5.0 FTE positions .....		\$ 267,100
Civil rights operations—113.0 FTE positions .....		11,789,000
<b>GROSS APPROPRIATION</b> .....		\$ 12,056,100

Appropriated from:

Federal revenues:		
EEOC, state and local antidiscrimination agency contracts .....		885,000
HUD, grant.....		850,000
Special revenue funds:		
State restricted indirect funds.....		53,000
State general fund/general purpose .....		\$ 10,268,100

**(3) INFORMATION TECHNOLOGY**

Information technology services and projects .....		\$ 722,600
<b>GROSS APPROPRIATION</b> .....		\$ 722,600

Appropriated from:

Federal revenues:		
EEOC, state and local antidiscrimination agency contracts .....		15,000
State general fund/general purpose .....		\$ 707,600

**Sec. 104. EXECUTIVE OFFICE**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	10.0	
Full-time equated classified positions .....	74.2	
<b>GROSS APPROPRIATION</b> .....		\$ 4,630,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 4,630,800
Federal revenues:		
Total federal revenues.....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....		\$ 4,630,800

**(2) EXECUTIVE OFFICE OPERATIONS**

Full-time equated unclassified positions.....	10.0	
Full-time equated classified positions .....	74.2	
Governor.....		\$ 169,600
Lieutenant governor.....		118,700

	For Fiscal Year Ending Sept. 30, 2011
Executive office—74.2 FTE positions .....	\$ 3,492,700
Unclassified positions—8.0 FTE positions .....	849,800
GROSS APPROPRIATION .....	\$ 4,630,800
Appropriated from:	
State general fund/general purpose .....	\$ 4,630,800
<b>Sec. 105. LEGISLATURE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ 102,334,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	250,000
ADJUSTED GROSS APPROPRIATION .....	\$ 102,084,100
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues.....	400,000
Total other state restricted revenues .....	1,109,800
State general fund/general purpose .....	\$ 100,574,300
<b>(2) LEGISLATURE</b>	
Senate .....	\$ 25,504,300
Senate automated data processing .....	2,203,200
Senate fiscal agency .....	2,781,900
House of representatives.....	40,241,100
House automated data processing .....	1,749,800
House fiscal agency .....	2,781,900
GROSS APPROPRIATION .....	\$ 75,262,200
Appropriated from:	
State general fund/general purpose .....	\$ 75,262,200
<b>(3) LEGISLATIVE COUNCIL</b>	
Legislative council.....	\$ 8,791,300
Legislative service bureau automated data processing .....	1,188,000
Worker’s compensation.....	133,000
National association dues .....	148,900
Legislative corrections ombudsman.....	619,700
GROSS APPROPRIATION .....	\$ 10,880,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG from Michigan department of corrections.....	250,000
Special revenue funds:	
Private - gifts and bequests revenues .....	400,000
State general fund/general purpose .....	\$ 10,230,900
<b>(4) LEGISLATIVE RETIREMENT SYSTEM</b>	
General nonretirement expenses.....	\$ 4,397,700
GROSS APPROPRIATION .....	\$ 4,397,700
Appropriated from:	
Special revenue funds:	
Court fees .....	1,109,800
State general fund/general purpose .....	\$ 3,287,900
<b>(5) PROPERTY MANAGEMENT</b>	
Capitol building.....	\$ 2,552,800
Cora Anderson building .....	7,424,800
Farnum building and other properties .....	1,815,700
GROSS APPROPRIATION .....	\$ 11,793,300
Appropriated from:	
State general fund/general purpose .....	\$ 11,793,300

For Fiscal Year  
Ending Sept. 30,  
2011

**Sec. 106. LEGISLATIVE AUDITOR GENERAL**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 14,996,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	2,301,500
ADJUSTED GROSS APPROPRIATION .....	\$ 12,694,900
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues.....	0
Total other state restricted revenues .....	1,539,900
State general fund/general purpose .....	\$ 11,155,000

**(2) OFFICE OF THE AUDITOR GENERAL**

Unclassified positions.....	\$ 313,500
Field operations .....	14,682,900
GROSS APPROPRIATION .....	\$ 14,996,400

Appropriated from:

Interdepartmental grant revenues:

IDG from MDELEG, liquor purchase revolving fund .....	11,300
IDG from MDOC .....	500,000
IDG from MDOT, comprehensive transportation fund.....	25,200
IDG from MDOT, Michigan transportation fund .....	204,300
IDG from MDOT, state aeronautics fund.....	19,600
IDG from MDTMB, civil service commission .....	107,900
IDG from MDOT, state trunkline fund .....	474,600
IDG, single audit act .....	958,600

Special revenue funds:

21st century jobs trust fund.....	50,000
Clean Michigan initiative implementation bond fund.....	38,300
Commercial mobile radio system emergency telephone fund.....	38,300
Contract audit administration fees.....	53,900
Correctional industries revolving fund .....	32,000
Fee adequacy, air quality delegated authority .....	9,600
Game and fish protection fund.....	22,000
Legislative retirement system .....	19,100
Michigan economic development corporation.....	54,400
Michigan education trust fund.....	30,700
Michigan justice training commission fund .....	28,700
Michigan state housing development authority fees .....	22,600
Michigan strategic fund.....	89,000
Michigan tobacco settlement authority.....	27,000
Michigan veterans' trust fund.....	24,900
Motor transport revolving fund .....	5,200
Office services revolving fund .....	6,900
State disbursement unit, office of child support.....	27,600
State services fee fund.....	952,100
Waterways fund .....	7,600
State general fund/general purpose .....	\$ 11,155,000

**Sec. 107. DEPARTMENT OF STATE**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	1,809.0
GROSS APPROPRIATION .....	\$ 213,520,400

	For Fiscal Year Ending Sept. 30, 2011
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 20,000,000
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 193,520,400</b>
Federal revenues:	
Total federal revenues.....	1,810,000
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	100
Total other state restricted revenues .....	177,799,500
State general fund/general purpose .....	\$ 13,910,800
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions ..... 30.0	
Secretary of state.....	\$ 115,800
Unclassified positions—5.0 FTE positions .....	453,200
Operations—30.0 FTE positions .....	3,127,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 3,696,100</b>
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	60,500
Driver fees .....	222,400
Expedient service fees.....	58,500
Parking ticket court fines.....	8,300
Personal identification card fees.....	13,800
Reinstatement fees - operator licenses .....	155,400
Transportation administration collection fund.....	2,069,100
Vehicle theft prevention fees .....	35,600
State general fund/general purpose .....	\$ 1,072,500
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions ..... 159.0	
Operations—152.0 FTE positions .....	\$ 22,984,500
Assigned claims assessments—7.0 FTE positions .....	946,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 23,931,100</b>
Appropriated from:	
Special revenue funds:	
Abandoned vehicle fees.....	468,600
Assigned claims assessments.....	946,600
Auto repair facilities fees .....	415,000
Child support clearance fees .....	34,300
Driver fees .....	920,200
Driver improvement course fund.....	300,000
Expedient service fees.....	256,800
Marine safety fund .....	79,600
Off-road vehicle title fees.....	8,000
Parking ticket court fines.....	52,700
Personal identification card fees.....	88,600
Reinstatement fees - operator licenses .....	569,000
Scrap tire fund.....	72,900
Snowmobile registration fee revenue .....	18,100
Transportation administration collection fund.....	18,804,600
Vehicle theft prevention fees .....	243,400
State general fund/general purpose .....	\$ 652,700
<b>(4) REGULATORY SERVICES</b>	
Full-time equated classified positions ..... 210.5	
Operations—208.5 FTE positions .....	\$ 22,185,000
County clerk education and training .....	100,000

	For Fiscal Year Ending Sept. 30, 2011
Motorcycle safety education administration—2.0 FTE positions .....	\$ 307,100
Motorcycle safety education grants .....	1,500,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 24,092,100</b>
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	4,144,800
Driver education provider and instructor fund .....	72,900
Driver fees .....	2,688,200
Expedient service fees .....	35,200
Motorcycle safety fund .....	1,807,100
Notary education and training fund .....	100,000
Notary fee fund .....	314,000
Parking ticket court fines .....	20,700
Personal identification card fees .....	52,400
Reinstatement fees - operator licenses .....	1,872,300
Transportation administration collection fund .....	10,921,800
Vehicle theft prevention fees .....	1,330,900
State general fund/general purpose .....	\$ 731,800
<b>(5) CUSTOMER DELIVERY SERVICES</b>	
Full-time equated classified positions .....	1,373.5
Branch operations—931.5 FTE positions .....	\$ 75,944,000
Central operations—415.0 FTE positions .....	44,156,100
Commemorative license plates—24.0 FTE positions .....	2,147,300
Specialty license plates—3.0 FTE positions .....	1,922,000
Credit and debit assessment service fees .....	1,000,000
Olympic center plate .....	75,700
Organ donor program .....	79,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 125,324,200</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	20,000,000
Federal revenues:	
Federal funds .....	\$ 1,460,000
Special revenue funds:	
Private funds .....	100
Abandoned vehicle fees .....	197,600
Auto repair facilities fees .....	93,100
Child support clearance fees .....	295,500
Credit and debit assessment service fees .....	1,000,000
Driver fees .....	23,934,800
Driver improvement course fund .....	1,200,000
Enhanced driver license and enhanced official state personal identification card fund .....	4,226,700
Expedient service fees .....	2,465,200
Marine safety fund .....	1,269,800
Michigan state police auto theft fund .....	118,900
Mobile home commission fees .....	476,000
Off-road vehicle title fees .....	136,800
Parking ticket court fines .....	1,490,500
Personal identification card fees .....	1,691,400
Recreation passport fee revenue .....	1,000,000
Reinstatement fees - operator licenses .....	1,264,900
Snowmobile registration fee revenue .....	348,100
Transportation administration collection fund .....	60,934,500
Vehicle theft prevention fees .....	209,500
State general fund/general purpose .....	\$ 1,510,800

For Fiscal Year  
Ending Sept. 30,  
2011

**(6) ELECTION REGULATION**

Full-time equated classified positions .....	36.0	
Election administration and services—36.0 FTE positions.....		\$ 5,137,700
Fees to local units .....		109,800
Help America vote act.....		350,000
<b>GROSS APPROPRIATION</b> .....		<u>\$ 5,597,500</u>

Appropriated from:

Federal revenues:

Federal Funds - HAVA HHS .....		350,000
State general fund/general purpose .....		\$ 5,247,500

**(7) DEPARTMENTWIDE APPROPRIATIONS**

Building occupancy charges/rent.....		\$ 10,060,500
Worker’s compensation.....		284,500
<b>GROSS APPROPRIATION</b> .....		<u>\$ 10,345,000</u>

Appropriated from:

Special revenue funds:

Auto repair facilities fees .....		135,300
Driver fees .....		763,700
Expedient service fees .....		26,000
Parking ticket court fines.....		447,800
Transportation administration collection fund.....		5,925,000
State general fund/general purpose .....		\$ 3,047,200

**(8) INFORMATION TECHNOLOGY**

Information technology services and projects .....		\$ 20,534,400
<b>GROSS APPROPRIATION</b> .....		<u>\$ 20,534,400</u>

Appropriated from:

Special revenue funds:

Administrative order processing fee.....		11,100
Auto repair facilities fees .....		179,300
Child support clearance fees .....		16,200
Driver fees .....		743,000
Expedient service fees .....		1,024,500
Parking ticket court fines.....		82,600
Personal identification card fees.....		98,300
Reinstatement fees - operator licenses .....		509,300
Transportation administration collection fund.....		16,051,000
Vehicle theft prevention fees .....		170,800
State general fund/general purpose .....		\$ 1,648,300

**Sec. 108. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	2,966.5	
<b>GROSS APPROPRIATION</b> .....		\$ 974,362,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		586,552,900
<b>ADJUSTED GROSS APPROPRIATION</b> .....		<u>\$ 387,809,300</u>

Federal revenues:

Total federal revenues.....		2,682,000
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Special revenue funds:

Total local revenues .....		1,380,400
Total private revenues .....		170,800
Total other state restricted revenues .....		83,827,300
State general fund/general purpose .....		\$ 299,748,800

**(2) EXECUTIVE DIRECTION**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	14.0	

	For Fiscal Year Ending Sept. 30, 2011
Unclassified positions—6.0 FTE positions .....	\$ 796,500
Executive operations—14.0 FTE positions .....	2,215,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 3,011,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy and parking charges.....	371,500
IDG from technology user fees .....	904,100
IDT from technology user fees .....	70,200
Special revenue funds:	
Special revenue, internal service, and pension trust funds.....	552,800
State general fund/general purpose .....	\$ 1,113,000
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions .....	670.5
Administrative services—61.5 FTE positions .....	\$ 6,126,100
Budget and financial management—158.5 FTE positions .....	16,452,300
Office of the state employer—23.0 FTE positions.....	2,923,800
Design and construction services—40.0 FTE positions .....	5,644,000
Business support services—94.0 FTE positions.....	9,400,700
Building operation services—221.0 FTE positions .....	88,347,300
Building occupancy charges, rent, and utilities.....	4,915,800
Motor vehicle fleet—46.0 FTE positions .....	57,194,600
Enterprisewide services—26.5 FTE positions .....	6,966,700
Information technology services and projects .....	26,510,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 224,482,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from accounting service centers user charges.....	859,600
IDG from building occupancy and parking charges.....	90,946,600
IDG from MDELEG.....	100,000
IDG from MDCH .....	445,000
IDG from MDHS.....	180,900
IDG from MDOT, comprehensive transportation fund.....	37,400
IDG from MDOT, state aeronautics fund.....	32,800
IDG from MDOT, state trunkline fund .....	1,218,600
IDG from motor transport fund.....	57,194,600
IDG from technology user fees .....	6,465,200
IDT from technology user fees .....	501,500
IDG from user fees.....	5,799,700
Federal revenues:	
Federal funds .....	100
Special revenue funds:	
Deferred compensation.....	2,600
Game and fish protection fund.....	283,200
Health management funds .....	1,938,300
MAIN user charges .....	4,884,400
Pension trust funds .....	6,670,300
Special revenue, internal service, and pension trust funds.....	13,603,600
State building authority revenue.....	649,100
State lottery fund.....	256,800
State restricted indirect funds.....	2,012,800
State services fee fund.....	136,100
Waterways fund .....	73,100
State general fund/general purpose .....	\$ 30,189,700
<b>(4) TECHNOLOGY SERVICES</b>	
Full-time equated classified positions .....	1,598.5
Education services—32.0 FTE positions.....	\$ 3,324,100

	For Fiscal Year Ending Sept. 30, 2011
Health and human services—694.5 FTE positions .....	\$ 232,214,800
Public protection—283.0 FTE positions .....	57,472,200
Resources services—163.0 FTE positions.....	18,580,600
Transportation services—99.5 FTE positions.....	27,656,500
General services—326.5 FTE positions .....	75,887,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 415,136,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from technology user fees .....	385,229,100
IDT from technology user fees .....	29,907,000
State general fund/general purpose .....	\$ 0
<b>(5) STATEWIDE APPROPRIATIONS</b>	
Professional development fund - AFSCME .....	\$ 50,000
Professional development fund - MPE, SEIU, scientific, and engineering unit .....	125,000
Professional development fund - MPE, SEIU, technical unit .....	50,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 225,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions .....	225,000
State general fund/general purpose .....	\$ 0
<b>(6) SPECIAL PROGRAMS</b>	
Full-time equated classified positions .....	177.0
Building occupancy charges - property management services for executive/legislative building occupancy .....	\$ 1,225,400
Retirement services—166.0 FTE positions .....	17,961,000
Office of children’s ombudsman—11.0 FTE positions .....	1,430,000
Transition costs.....	1,500,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 22,116,400</b>
Appropriated from:	
Special revenue funds:	
Deferred compensation.....	1,542,400
Pension trust funds .....	16,418,600
State general fund/general purpose .....	\$ 4,155,400
<b>(7) STATE BUILDING AUTHORITY RENT</b>	
State building authority rent - state agencies .....	\$ 59,065,100
State building authority rent - department of corrections .....	47,210,900
State building authority rent - universities .....	113,084,200
State building authority rent - community colleges .....	22,510,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 241,870,600</b>
Appropriated from:	
State general fund/general purpose .....	\$ 241,870,600
<b>(8) CIVIL SERVICE COMMISSION</b>	
Full-time equated classified positions .....	506.5
Agency services—102.5 FTE positions.....	\$ 11,800,000
Executive direction—33.0 FTE positions.....	8,860,700
Employee benefits—31.0 FTE positions .....	5,997,400
Training .....	1,300,000
Human resources operations—340.0 FTE positions .....	33,594,400
Information technology services and projects .....	3,968,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 65,520,500</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges .....	1,300,000
IDG, 1% special funds .....	2,764,100

	For Fiscal Year Ending Sept. 30, 2011
Federal revenues:	
Federal funds 1%.....	\$ 2,681,900
Special revenue funds:	
Local funds 1% .....	1,380,400
Private funds 1% .....	170,800
State restricted funds 1%.....	20,922,200
State restricted indirect funds.....	5,093,200
State sponsored group insurance .....	2,650,000
State sponsored group insurance, flexible spending accounts, and COBRA .....	6,137,800
State general fund/general purpose .....	\$ 22,420,100
<b>(9) CAPITAL OUTLAY</b>	
Major special maintenance, remodeling and addition for state agencies.....	\$ 2,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,000,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy charges.....	2,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 109. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions..... 10.0	
Full-time equated classified positions .....	2,189.5
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,925,624,400</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	14,376,400
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 1,911,248,000</b>
Federal revenues:	
Total federal revenues.....	262,691,600
Special revenue funds:	
Total local revenues .....	2,054,000
Total private revenues.....	843,600
Total other state restricted revenues .....	1,524,721,000
State general fund/general purpose .....	\$ 120,937,800
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions..... 10.0	
Full-time equated classified positions .....	5.0
Unclassified positions—10.0 FTE positions .....	\$ 923,000
Office of the director—5.0 FTE positions.....	956,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,879,100</b>
Appropriated from:	
Federal revenues:	
DED-OPSE, federal lenders allowance .....	20,000
DED-OPSE, higher education act of 1965 insured loans.....	45,000
Special revenue funds:	
State lottery fund.....	196,400
State services fee fund.....	358,200
State general fund/general purpose .....	\$ 1,259,500
<b>(3) DEPARTMENTWIDE APPROPRIATIONS</b>	
Travel.....	\$ 1,215,900
Rent and building occupancy charges - property management services .....	5,463,900
Worker's compensation insurance premium .....	188,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 6,868,400</b>
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue .....	3,905,500
State general fund/general purpose .....	\$ 2,962,900

For Fiscal Year  
Ending Sept. 30,  
2011

**(4) LOCAL GOVERNMENT PROGRAMS**

Full-time equated classified positions .....	93.0	
Supervision of the general property tax law—59.0 FTE positions .....		\$ 12,849,400
Property tax assessor training—4.0 FTE positions .....		449,200
Local finance—23.0 FTE positions .....		2,487,600
Business property tax appeal—7.0 FTE positions .....		900,000
<b>GROSS APPROPRIATION</b> .....		<u>\$ 16,686,200</u>

Appropriated from:

Special revenue funds:

Local - assessor training fees .....		1,284,200
Local - audit charges .....		629,800
Local - equalization study charge-backs .....		40,000
Local - revenue from local government .....		100,000
Land reutilization fund .....		4,379,500
Municipal finance fees .....		507,600
Delinquent tax collection revenue .....		1,425,300
State general fund/general purpose .....		<u>\$ 8,319,800</u>

**(5) TAX PROGRAMS**

Full-time equated classified positions .....	762.0	
Customer contact—112.0 FTE positions .....		\$ 9,845,100
Tax compliance—345.0 FTE positions .....		36,922,900
Tax and economic policy—121.0 FTE positions .....		13,308,900
Tax processing—156.0 FTE positions .....		14,992,600
Home heating assistance .....		2,697,800
Bottle act implementation .....		250,000
Michigan business tax—28.0 FTE positions .....		5,456,500
<b>GROSS APPROPRIATION</b> .....		<u>\$ 83,473,800</u>

Appropriated from:

Interdepartmental grant revenues:

IDG, data/collection services fees .....		50,900
IDG from MDOT, Michigan transportation fund .....		7,855,900
IDG from MDOT, state aeronautics fund .....		68,700

Federal revenues:

HHS-SSA, low-income energy assistance .....		2,697,800
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Special revenue funds:

Bottle deposit fund .....		250,000
Delinquent tax collection revenue .....		62,304,800
Emergency 911 fund .....		150,000
Tobacco tax revenue .....		983,300
Waterways fund .....		80,500
State general fund/general purpose .....		<u>\$ 9,031,900</u>

**(6) BANKING AND MANAGEMENT SERVICES**

Full-time equated classified positions .....	338.0	
Departmental and budget services—48.0 FTE positions .....		\$ 4,400,900
Unclaimed property—21.0 FTE positions .....		3,583,000
Collections—209.0 FTE positions .....		24,017,600
Finance and accounting—21.0 FTE positions .....		1,954,900
Receipts processing—39.0 FTE positions .....		3,784,600
<b>GROSS APPROPRIATION</b> .....		<u>\$ 37,741,000</u>

Appropriated from:

Interdepartmental grant revenues:

IDG, levy/warrant cost assessment fees .....		2,000,000
IDG, state agency collection fees .....		2,426,800
IDG from MDHS, title IV-D .....		650,900
IDG data/collection service fees .....		206,400
IDG from accounting service center user charges .....		391,500

	For Fiscal Year Ending Sept. 30, 2011
Special revenue funds:	
Delinquent tax collection revenue .....	\$ 20,264,000
Escheats revenue.....	3,583,000
Justice system fund.....	672,500
Garnishment fees .....	2,321,300
State restricted indirect funds.....	258,500
Treasury fees .....	43,900
State general fund/general purpose .....	\$ 4,922,200
<b>(7) FINANCIAL PROGRAMS</b>	
Full-time equated classified positions .....	243.5
Investments—82.0 FTE positions .....	\$ 17,130,500
Common cash and debt management—22.5 FTE positions.....	1,322,700
Student financial assistance programs—113.0 FTE positions.....	36,870,800
Michigan finance authority - bond finance—18.0 FTE positions .....	2,971,500
Land bank fast track authority - bond finance—6.0 FTE positions.....	1,879,700
Public private partnership investment—2.0 FTE positions .....	1,472,000
John R. Justice grant program.....	282,100
GROSS APPROPRIATION .....	\$ 61,929,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees .....	178,000
Federal revenues:	
DED-OPSE, federal lenders allowance .....	10,698,400
DED-OPSE, higher education act of 1965, insured loans.....	23,783,500
Federal - John R. Justice grant.....	282,100
Special revenue funds:	
Defined contribution administrative fee revenue.....	100,000
Land bank fast track fund .....	1,879,700
Michigan finance authority bond and loan program revenue.....	2,971,500
Michigan merit award trust fund.....	959,600
Public private partnership investment fund .....	1,472,000
Retirement funds .....	16,108,100
School bond fees .....	659,800
Treasury fees .....	1,100,700
State general fund/general purpose .....	\$ 1,735,900
<b>(8) DEBT SERVICE</b>	
Water pollution control bond and interest redemption .....	\$ 2,195,100
Quality of life bond.....	27,938,100
Clean Michigan initiative .....	24,625,100
Great Lakes water quality bond .....	2,874,500
GROSS APPROPRIATION .....	\$ 57,632,800
Appropriated from:	
Special revenue funds:	
Refined petroleum fund.....	15,514,500
State general fund/general purpose .....	\$ 42,118,300
<b>(9) GRANTS</b>	
Convention facility development distribution.....	\$ 74,850,000
Senior citizen cooperative housing tax exemption program.....	14,520,000
Emergency 911 payments.....	27,000,000
Health and safety fund grants.....	9,000,000
GROSS APPROPRIATION .....	\$ 125,370,000
Appropriated from:	
Special revenue funds:	
Emergency 911 fund.....	27,000,000

	For Fiscal Year Ending Sept. 30, 2011
Convention facility development fund.....	\$ 74,850,000
Health and safety fund .....	9,000,000
State general fund/general purpose .....	\$ 14,520,000
<b>(10) BUREAU OF STATE LOTTERY</b>	
Full-time equated classified positions .....	179.0
Lottery operations—179.0 FTE positions .....	\$ 21,509,000
Promotion and advertising.....	17,690,900
Lottery information technology services and projects .....	4,706,000
GROSS APPROPRIATION .....	\$ 43,905,900
Appropriated from:	
Special revenue funds:	
State lottery fund.....	43,905,900
State general fund/general purpose .....	\$ 0
<b>(11) CASINO GAMING</b>	
Full-time equated classified positions .....	125.0
Michigan gaming control board .....	\$ 50,000
Casino gaming control administration—115.0 FTE positions .....	21,960,000
Casino gaming information technology services and projects .....	1,609,000
Racing commission—10.0 FTE positions .....	2,083,100
GROSS APPROPRIATION .....	\$ 25,702,100
Appropriated from:	
Special revenue funds:	
Casino gambling agreements.....	629,100
Equine development fund.....	2,206,100
Laboratory fees.....	700,000
State services fee fund.....	22,166,900
State general fund/general purpose .....	0
<b>(12) PAYMENTS IN LIEU OF TAXES</b>	
Commercial forest reserve.....	\$ 2,343,100
Purchased lands .....	4,386,000
Swamp and tax reverted lands.....	6,227,300
GROSS APPROPRIATION .....	\$ 12,956,400
Appropriated from:	
Special revenue funds:	
Game and fish protection fund.....	1,787,900
Michigan natural resources trust fund.....	521,200
Michigan state waterways fund.....	140,900
State general fund/general purpose .....	10,506,400
<b>(13) MICHIGAN STRATEGIC FUND</b>	
Full-time equated classified positions .....	155.0
Administration—22.0 FTE positions.....	\$ 2,505,200
Job creation services—127.0 FTE positions .....	16,628,000
Jobs for Michigan investment program - 21st century jobs fund.....	75,000,000
Michigan promotion program.....	5,402,800
Community development block grants .....	53,000,000
Arts and cultural program .....	2,567,400
Michigan film office—6.0 FTE positions .....	742,800
GROSS APPROPRIATION .....	\$ 155,846,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees .....	81,200
Federal revenues:	
HUD-CPD, community development block grants .....	55,516,900
NFAH-NEA, promotion of the arts, partnership agreements .....	1,050,000

	For Fiscal Year Ending Sept. 30, 2011
Special revenue funds:	
Private - special project advances .....	\$ 743,600
Private - Michigan council for the arts fund .....	100,000
Industry support fees .....	5,500
21st century jobs trust fund .....	75,000,000
Michigan film promotion fund .....	567,500
State general fund/general purpose .....	\$ 22,781,500
<b>(14) REVENUE SHARING</b>	
Constitutional state general revenue sharing grants .....	\$ 633,481,800
Statutory state general revenue sharing grants .....	307,061,700
County revenue sharing payments .....	114,740,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,055,284,200</b>
Appropriated from:	
Special revenue funds:	
Sales tax .....	1,055,284,200
State general fund/general purpose .....	\$ 0
<b>(15) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>	
Full-time equated classified positions .....	289.0
Payments on behalf of tenants .....	\$ 166,860,000
Housing and rental assistance—266.0 FTE positions .....	46,354,700
State historic preservation program—23.0 FTE positions .....	3,085,700
Lighthouse preservation program .....	307,500
Rent and administrative support .....	3,790,100
Michigan state housing development authority technology services and projects .....	3,265,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 223,663,600</b>
Appropriated from:	
Federal revenues:	
DOI-NPS, historic preservation grants-in-aid .....	1,184,200
HUD, lower income housing assistance .....	166,860,000
Special revenue funds:	
Michigan state housing development authority fees and charges .....	55,311,900
Michigan lighthouse preservation fund .....	307,500
State general fund/general purpose .....	\$ 0
<b>(16) INFORMATION TECHNOLOGY</b>	
Treasury operations information technology services and projects .....	\$ 16,685,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 16,685,400</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	466,100
Federal revenues:	
DED-OPSE, federal lender allowance .....	553,700
Special revenue funds:	
Delinquent tax collection revenue .....	11,940,400
Land bank fast track fund .....	157,500
Retirement funds .....	676,400
Tobacco tax revenue .....	111,900
State general fund/general purpose .....	\$ 2,779,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$2,394,530,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,208,071,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE

Fees to local units .....	\$ 109,800
Motorcycle safety grants .....	1,251,000
Subtotal .....	<b>\$ 1,360,800</b>

DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption .....	\$ 14,520,000
Health and safety fund grants.....	9,000,000
Constitutional state general revenue sharing grants .....	633,481,800
Statutory state general revenue sharing grants .....	307,061,700
Convention facility development fund distribution .....	74,850,000
Emergency 9-1-1 payments .....	27,000,000
County revenue sharing payments.....	114,740,700
Airport parking distribution pursuant to section 909 .....	13,100,000
Payments in lieu of taxes .....	12,956,400
Subtotal.....	\$ <u>1,206,710,600</u>
TOTAL GENERAL GOVERNMENT .....	\$ <u>1,208,071,400</u>

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2010-2011 is estimated at \$26,244,224,600.00 in the 2010-2011 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2010-2011 is estimated at \$15,182,770,900.00. The state-local proportion is estimated at 57.9% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2010-2011 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2010-2011 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2010-2011.

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

Sec. 203. As used in this act:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "ARRA" means American recovery and reinvestment act of 2009, Public Law 111.5.
- (c) "CDBG" means community development block grants.
- (d) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (e) "CPI" means consumer price index.
- (f) "DAG" means the United States department of agriculture.
- (g) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (h) "DOL-ETA" means the United States department of labor, employment and training administration.
- (i) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (j) "EEOC" means the United States equal employment opportunity commission.
- (k) "EPA" means the United States environmental protection agency.
- (l) "FTE" means full-time equated.
- (m) "Fund" means the Michigan strategic fund.
- (n) "GF/GP" means general fund/general purpose.
- (o) "HHS" means the United States department of health and human services.
- (p) "HHS-OS" means the HHS office of the secretary.
- (q) "HHS-SSA" means the HHS social security administration.
- (r) "HUD" means the United States department of housing and urban development.
- (s) "HUD-CPD" means the United States department of housing and urban development – community planning and development.
- (t) "IDG" means interdepartmental grant.
- (u) "IDT" means intradepartmental transfer.
- (v) "JCOS" means the joint capital outlay subcommittee.
- (w) "MAIN" means the Michigan administrative information network.
- (x) "MCL" means the Michigan Compiled Laws.
- (y) "MDCH" means the Michigan department of community health.
- (z) "MDELEG" means the Michigan department of energy, labor, and economic growth.
- (aa) "MDHS" means the Michigan department of human services.
- (bb) "MDNRE" means the Michigan department of natural resources and environment.
- (cc) "MDOC" means the Michigan department of corrections.
- (dd) "MDOT" means the Michigan department of transportation.
- (ee) "MDSP" means the Michigan department of state police.
- (ff) "MDTMB" means the Michigan department of technology, management, and budget.
- (gg) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess)

PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

- (hh) "MFA" means the Michigan finance authority.
- (ii) "MPE" means the Michigan public employees.
- (jj) "MSC" means managerial, supervisory, and confidential.
- (kk) "MSHDA" means Michigan state housing development authority.
- (ll) "NERE" means nonexclusively represented employees.
- (mm) "PA" means public act.
- (nn) "PACC" means the prosecuting attorneys coordinating council.
- (oo) "SEIU" means service employees international union.

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

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

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

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

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

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

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

	2010	2011
Michigan personal income (millions).....	\$343,289	\$352,215
less: transfer payments .....	77,424	78,586
Subtotal.....	<u>\$265,865</u>	<u>\$273,629</u>
Divided by: Detroit CPI for 12 months ending June 30 .....	2.054	2.085
Equals: real adjusted Michigan personal income .....	\$129,424	\$131,235
Percentage change .....		+1.4%
Percentage change between 0 and 2% .....		0.0%
Multiplied by: estimated GF/GP revenue in FY 2010-2011 (millions) ...		7,096.7
Equals: countercyclical budget and economic stabilization fund payout calculation for the fiscal year ending September 30, 2011 .....		\$0

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

Sec. 221. (1) Each department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house of representatives standing committees on appropriations subcommittees on general government, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

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

Sec. 228. Not later than October 15, each department or agency receiving appropriations in part 1 shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. If the office of the auditor general has identified an initiative or made a recommendation that is related to savings and efficiencies in an audit report for an executive branch department or agency, the department or agency shall

report within 6 months of the release of the audit on their efforts and progress made toward achieving the savings and efficiencies identified in the audit report. The report shall be submitted to the chairs of the senate and house of representatives standing committees on appropriations, the chairs of the senate and house of representatives standing committees with jurisdiction over matters relating to the department that is audited, and the senate and house fiscal agencies.

Sec. 230. (1) On a quarterly basis, each executive branch department and agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, each executive branch department and agency shall develop, post, and maintain on a user-friendly and publicly accessible Internet site, all expenditures made by the departments and agencies within a fiscal year. The posting must include the purpose for which each expenditure is made. Funds appropriated in part 1 from the federal American recovery and reinvestment act shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. Departments and agencies shall not provide financial information on their websites under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that section.

Sec. 231. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 230(2).

#### **DEPARTMENT OF ATTORNEY GENERAL**

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

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

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

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

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

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

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

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

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

Sec. 305. In addition to the funds appropriated in part 1, not more than \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the department of human services, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that, once earned by this state, the funds become state funds.

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

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

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

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

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

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

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$497,900.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.

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

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

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

Sec. 314. Funds collected by the department of attorney general under section 10b of the medicaid false claim act, 1977 PA 72, MCL 400.610b, are appropriated to the department of attorney general for the purpose for which they were received. Any unexpended funds at the end of the fiscal year shall be carried forward for expenditure in subsequent fiscal years.

#### **DEPARTMENT OF CIVIL RIGHTS**

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

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

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

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

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

#### **LEGISLATURE**

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

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

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

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

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

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

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

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

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2012.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2012.

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

#### **LEGISLATIVE AUDITOR GENERAL**

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

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

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

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

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

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

**DEPARTMENT OF STATE**

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

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

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

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

Sec. 702. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 703. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 704. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 705. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

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

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

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

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

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

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

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

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

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor

vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" includes videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Sec. 706. On October 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies. The report shall include details on the activities and success of the department's enforcement and compliance with the help America vote act of 2002, Public Law 107-252.

Sec. 707. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 708. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 709. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 710. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

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

Sec. 711. (1) Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

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

Sec. 712. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 713. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

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

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

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

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

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

Sec. 714. At least 180 days before closing or consolidating a branch office and at least 60 days before relocating a branch office, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analyses done regarding criteria for changes in the location of branch offices,

including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure and the same level of detail regarding costs for new leased facilities and expansions of current leased space.

Sec. 715. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, may be used by the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution.

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

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

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

Sec. 716. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

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

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

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

Sec. 716b. The department of state shall provide a report that calculates the total amount of funds expended for the business application modernization project to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the state by the contract provider for penalties. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director by January 1.

Sec. 716c. The department of state shall provide a report that assesses the optimal network connectivity in secretary of state branch offices, including a review of the number of service providers, and makes recommendations on how best to meet the increasing demands of online transactions. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government by April 1.

Sec. 717. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

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

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

Sec. 718. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

Sec. 719. From the funds appropriated in part 1 for the department of state, the department shall first use restricted funding for expenditures, when available for that purpose, before using general fund dollars.

Sec. 720. The funds appropriated in part 1 for department of state, branch operations, are contingent upon the department complying with the following guidelines for branch office placement:

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

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

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

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

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

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

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

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

(v) Use and rehabilitation of brownfield areas.

Sec. 721. From the funds appropriated in part 1, the department of state may collect ATM commission fees from companies that have ATMs located in secretary of state branch offices. The commission received from the use of these ATMs shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

#### **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$4,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$150,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 802. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of technology, management, and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 803. (1) The department of technology, management, and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of technology, management, and budget.

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

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

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

Sec. 804. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of technology, management, and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

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

Sec. 805. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of technology, management, and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 806. In addition to the funds appropriated in part 1 to the department of technology, management, and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of technology, management, and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 807. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 808. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of technology, management, and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

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

Sec. 809. The department of technology, management, and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of technology, management, and budget finalizes the revisions.

Sec. 810. The department of technology, management, and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 811. The department of technology, management, and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 812. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 813. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of technology, management, and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

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

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

(4) Pursuant to the department of technology, management, and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations,

the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the current plan and changes made to the plan during the fiscal year.

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

Sec. 814. The department of technology, management, and budget shall adopt policies and procedures necessary for compliance by the department, other state departments and agencies, and state vendors and subcontractors, with the requirement under subsection (1) of section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.

Sec. 815. In determining whether the purchase, contracting for, providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items needed by state departments or agencies is in the best interests of this state, and in making all discretionary decisions concerning the solicitation, award, amendment, cancellation, or appeal of state contracts, the department of technology, management, and budget shall consider all of the following:

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

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

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

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

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

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

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

Sec. 816. The department of technology, management, and budget shall collect from vendors information necessary to comply with the requirements of this act, as determined by the department. The department of technology, management, and budget may require vendors to provide any of the following:

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

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

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

Sec. 817. The department of technology, management, and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 818. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 819. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 820. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

Sec. 822. The department of technology, management, and budget shall compile a report by January 1 pertaining to the salaries of unclassified employees, as well as gubernatorial appointees, within all state departments and agencies. The report shall enumerate each unclassified employee and gubernatorial appointee and his or her annual salary individually. The report shall be distributed to the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

#### **INFORMATION TECHNOLOGY**

Sec. 823. (1) The department of technology, management, and budget may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

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

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

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

Sec. 824. The department of technology, management, and budget may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of technology, management, and budget may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of technology, management, and budget may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 825. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 826. When used in this act, "information technology services" means services involving all aspects of managing and processing information, including, but not limited to, all of the following:

- (a) Application development and maintenance.
- (b) Desktop computer support and management.
- (c) Mainframe computer support and management.
- (d) Server support and management.
- (e) Local area network support and management, including, but not limited to, wireless networking.
- (f) Information technology project management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.

Sec. 827. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

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

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

(4) The department of technology, management, and budget shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15

and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried forward into succeeding fiscal years.

Sec. 828. The department of technology, management, and budget shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

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

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

Sec. 829. The department of technology, management, and budget shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 830. By December 31, the department shall provide a report that lists all information technology-related change orders and follow-on contracts, greater than \$25,000.00, whether they are bid, exercise options or no-bid, and the amount of each change order or contract extension contract entered into by the department to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 832. The department shall provide a report that calculates the total amount of funds expended for the child support enforcement system to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the federal government for penalties. The report shall be submitted to the senate and house of representatives standing committees on government operations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by January 1.

Sec. 833. (1) The state budget director, upon notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and user fees in the department of technology, management, and budget in order to ensure that the appropriations for information technology in the department budget equal the appropriations for information technology in the budgets for all executive branch agencies.

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

Sec. 834. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of technology, management, and budget. The department may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

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

Sec. 835. In addition to the funds appropriated in part 1, the funds collected by the department for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products area appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

#### **STATE BUILDING AUTHORITY**

Sec. 840. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2011. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

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

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

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

Sec. 841. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

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

Sec. 842. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

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

Sec. 843. The state building authority shall provide to the JCOS, state budget director, and senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

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

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

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

#### **CIVIL SERVICE**

Sec. 850. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2010 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

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

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

Sec. 851. Except where specifically appropriated for this purpose, financing from restricted sources shall be credited to the civil service commission. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy commission operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 852. The appropriation in part 1 to the civil service commission, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the civil service commission. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed

by the civil service commission. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

Sec. 853. No funds appropriated in part 1 shall be used, directly or indirectly, to fund the office of great workplace development.

### **CAPITAL OUTLAY**

Sec. 860. As used in sections 861 through 869:

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

Sec. 861. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 862. (1) The department shall provide the JCOS, state budget director, and the senate and house fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

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

- (a) The account number and name of each construction project.
- (b) The balance remaining in each account.
- (c) The date of the last expenditure from the account.
- (d) The anticipated date of occupancy if the project is under construction.
- (e) The appropriations history for the project.
- (f) The professional service contractor.
- (g) The amount of the project financed with federal funds.
- (h) The amount of the project financed through the state building authority.
- (i) The total authorized cost for the project and the state authorized share if different than the total.

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

- (a) The name of the project and account number.
  - (b) Whether a program statement is approved.
  - (c) Whether schematics are approved by the department.
  - (d) Whether preliminary plans are approved by the department.
  - (e) The name of the professional service contractor.
- (4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 863. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 864. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 865. (1) A site preparation economic development fund is created in the department of technology, management, and budget. As used in this section, "economic development sites" means those state-owned sites declared as surplus property pursuant to section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state-owned site qualifies for inclusion in the fund created under this subsection.

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

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

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

(a) The revenue and expenditure activity in the fund for the preceding fiscal year.

(b) The sites identified as economic development sites under subsection (1).

#### **CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES**

Sec. 870. A statement of a proposed facility's operating cost shall be included with the facility's program statement and planning documents when the plans are presented to JCOS for approval.

Sec. 871. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department that includes the following provisions:

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

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

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

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

Sec. 872. A state agency, community college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements. Any federal matching revenues received to support the construction of the project shall be applied to the total authorized project cost, with the state and community college or university financing shares proportionately adjusted.

Sec. 873. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be composed of local and state shares and not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this act is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this act or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active.

Sec. 874. If university and community college matching revenues are received in an amount less than the appropriations for capital projects contained in this act, the state funds shall be reduced in proportion to the amount of matching revenue received.

Sec. 875. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

Sec. 876. (1) Except as otherwise provided in subsection (3) or (4), a university shall not enter into a contract for new construction of a self-funded project estimated to cost at least \$3,000,000.00 unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department of technology, management, and budget. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

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

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

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

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

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

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

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

#### **DEPARTMENT OF TREASURY OPERATIONS**

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

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

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

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

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

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

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

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

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 23% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

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

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

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

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

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

Sec. 905. (1) The department of treasury shall provide copies of the state tax manual via the department's website or provide for sale copies of the tax manuals on a compact disc or an electronically transmitted format. The revenue received

from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

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

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

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

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

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

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

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

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of 1976 IL 1, MCL 445.573c, is appropriated.

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

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

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

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

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

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

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

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

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

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received

from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

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

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

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

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

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

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

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

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31 stating the amount of exemptions denied and the revenue received under the program.

Sec. 925. (1) A public-private partnership investment fund is created in the department of treasury. Subject to subsections (2) and (3), public-private partnership investments shall include, but are not limited to, all of the following:

- (a) Capital asset improvements including buildings, land, or structures.
- (b) Energy resource exploration, extraction, generation, and sales.
- (c) Financial and investment incentive opportunities.
- (d) Infrastructure construction, maintenance, and operation.

(e) Public-private sector joint ventures that provide economic benefit to an area or to the state.

(2) Public-private investments shall not include projects, consultant expenses, staff effort, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River international crossing.

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

(4) Investment development revenue, including a portion of the proceeds from the sale of any public-private partnership investment designated in subsection (1), shall be deposited into the fund created in subsection (1) and shall be available for administration, development, financing, marketing, and operating expenditures associated with public-private partnerships, unless otherwise provided by law. Public-private partnership investments authorized in subsection (1) are authorized for public or private operation or sale consistent with state law. Expenditures from the fund are authorized for investment purposes as designated in subsection (1) to enhance the marketable value of each investment. The unencumbered balance remaining in the fund at the end of the fiscal year may be carried forward for appropriation in future years.

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

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

Sec. 925a. The funds appropriated in part 1 shall not be used to support any staff effort, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River international crossing.

Sec. 926. Unexpended appropriations of the John R. Justice grant program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide student loan forgiveness to qualified public defenders and prosecutors.
- (b) The project will be accomplished by utilizing state employees or contracts with private vendors, or both.
- (c) The total estimated cost of the project is \$282,100.00.
- (d) The tentative completion date is September 30, 2012.

Sec. 927. The department of treasury shall submit annual progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

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

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

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

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

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings or other investment income during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

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

Sec. 934. (1) The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority, Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the Michigan finance authority, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission and state employees' retirement fund, and other expenses as allowed under those acts. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients and educational institution clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

(2) The department of treasury shall report by June 30, 2011 to the senate and house appropriations subcommittees, the senate and house fiscal agencies, and the state budget director on the amount and purpose of expenditures made under

subsection (1) from funds received in addition to those appropriated in part 1. The report also shall include a listing of reimbursement of revenue, if any. The report shall cover the period of June 1, 2010 to May 31, 2011.

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

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

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

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

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

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

Sec. 949. Any funding for the beverage container redemption antifraud fund from the appropriation included in 2009 PA 140 for the beverage container redemption antifraud program shall be used for the purposes described in the beverage container redemption antifraud act, 2008 PA 388, MCL 445.631 to 445.643. Any remaining funds available after the distribution has been made to the border counties shall be made available to the next tier of counties north of the border counties for the same purposes.

#### **REVENUE SHARING**

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

(2) The funds appropriated in part 1 for statutory revenue sharing shall be distributed to cities, villages, and townships so that the combined distribution, under section 10 of article IX of the state constitution of 1963, and statutory revenue sharing, as set forth in this subsection, shall be the lesser of 100%, or the percentage determined under this subsection, of the total combined distribution under section 10 of article IX of the state constitution of 1963 during the 2009-2010 state fiscal year, and the statutory distribution received under section 950 of 2009 PA 128 during the 2009-2010 state fiscal year. The percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 for the 2010-2011 state fiscal year and \$307,061,700.00 by \$940,543,400.00. Undistributed funds shall lapse to the general fund.

Sec. 955. (1) The funds appropriated in part 1 for county revenue sharing shall be distributed by the department to eligible counties pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

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

#### **LOTTERY**

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

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

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

#### **CASINO GAMING**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.212a.

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

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

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

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

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

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

Sec. 976. The racing commissioner may pay rewards of not more than \$5,800.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the office of racing commissioner line item.

Sec. 977. All appropriations from the Michigan agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the Michigan agriculture equine industry development fund decline during the fiscal year ending September 30, 2011 to a level lower than the amount appropriated in section 109(11).

Sec. 978. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house appropriations subcommittees on agriculture and general government and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

Sec. 979. In the event there is no live thoroughbred race meet in 2010 or 2011, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2009-2010 and fiscal year 2010-2011 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the Michigan gaming control board. In the event there is no thoroughbred meet in 2010 or 2011, the purse pool distribution order to be issued by the Michigan gaming control board in 2010 that delineates distribution between the thoroughbred meet that has been held at Pinnacle race course and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2010, with the thoroughbred portion being held in escrow.

#### **HOUSING AND COMMUNITY DEVELOPMENT**

Sec. 980. MSHDA shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 981. The department and MSHDA shall report to the subcommittees, the state budget director, and the fiscal agencies by December 1 on the status of the loans entered into by the Michigan broadband development authority.

Sec. 982. MSHDA shall provide a report to the subcommittees, the fiscal agencies, and the state budget director by December 1 on the cities of promise blight elimination program. The report shall include:

- (a) The amount awarded to each designated city.
- (b) A description of the projects in each designated city.
- (c) The amount of private or local funds that were used as match for these projects.

Sec. 983. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 984. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the succeeding fiscal year.

Sec. 985. (1) From the funds appropriated in part 1 to MSHDA, \$200,000.00 may be allocated to the Michigan housing and community development fund. If allocated, these funds are appropriated from the fund to MSHDA for projects as described in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(2) MSHDA shall report by May 1 to the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director on the status of the projects described in subsection (1), including the statewide allocation plan, the number of applicants, the amounts requested, a description of projects, the amounts awarded, the number of housing units that have been or are projected to be created, and the income levels of the households that have been or are projected to be served.

#### **MICHIGAN STRATEGIC FUND**

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

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

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

Sec. 1003. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

- (a) An applicant must match state funds on a 1:1 basis.
- (b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.
- (c) The Michigan economic development corporation shall administer the Michigan growth capital fund.
- (d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this section.
- (e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the senate appropriations subcommittee on economic development, the house appropriations subcommittee on general government, the senate and house fiscal agencies, and the state budget office by January 31.

Sec. 1004. In addition to the appropriations in part 1, Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times.", "The Upper Hand", and "Pure Michigan" copyrighted slogans

and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.

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

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

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

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

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

Sec. 1023. The fund shall coordinate tourism promotion with the tourism industry. The fund shall submit a report by July 1 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the geographical locations and recreational activities used in Michigan tourism promotional material.

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

Sec. 1025. (1) Of the funds appropriated in part 1 for jobs for Michigan investment program: 21st century jobs fund, \$250,000.00 shall be allocated to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association, for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.

(2) The Michigan aerospace manufacturers association and the defense contract coordination center shall work cooperatively to advance and promote Michigan aerospace-based manufacturing.

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

Sec. 1028. From the funds appropriated in part 1 for jobs for Michigan investment program: 21st century jobs fund, no more than \$25,000,000.00 of the appropriation shall be awarded, expended, or committed during the first quarter of the fiscal year.

Sec. 1029. The unexpended portion of funds appropriated in 2005 PA 225 for the 21st century jobs trust fund programs that total \$6,450,000.00 are appropriated for the same purpose for the fiscal year ending September 30, 2010.

Sec. 1030. Up to \$10,000,000.00 from the unreserved general fund general purpose fund balance for the fiscal year ending September 30, 2010 is appropriated to the Michigan strategic fund agency as a grant to the Detroit institute of arts. If the unreserved general fund general purpose fund balance is less than \$10,000,000.00, the amount appropriated to the Michigan strategic fund agency shall be reduced so that it does not exceed the total unreserved fund balance.

Sec. 1032. (1) The Michigan film office shall report to the subcommittees and the fiscal agencies on the status of the film incentives at the same time as it submits the annual report required under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455. The department of treasury and the Michigan strategic fund shall provide the Michigan film office with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

- (a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.
- (b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.
- (c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.
- (d) The amount of any tax credit claimed under section 367 of the income tax act of 1967, 1967 PA 281, MCL 206.367.
- (e) Any tax credits provided for film and digital media production under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

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

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

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

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

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

(i) The number of temporary jobs created.

(ii) The number of permanent jobs created.

(iii) The number of persons employed in Michigan as a result of the incentive, on a full-time equated basis.

(3) For any information not included in the report due to the provisions of sections 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, the report shall do all of the following:

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

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

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

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

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

Sec. 1034. (1) From the funds appropriated in part 1 for the jobs for Michigan investment program: 21st century jobs fund, \$1,300,000.00 shall be used to fund business incubators. The Michigan strategic fund shall award a grant to 1 high-performance business incubator in each of the following counties or cities:

(a) Houghton County.

(b) A city with a population in the 2000 census between 119,000 and 120,000 and that experienced a population loss between 8% and 9% between the 1990 census and the 2000 census.

(c) Isabella County.

(d) Kalamazoo County.

(e) Kent County.

(f) Macomb County.

(g) Muskegon County.

(h) Oakland County.

(i) Washtenaw County.

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

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

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

(4) There shall be \$250,000.00 awarded to an eligible business incubator within Macomb County and \$250,000.00 awarded to an eligible business incubator within Oakland County. Each remaining county or city shall be awarded \$100,000.00 for an eligible business incubator. No unit of local government listed in this subsection shall receive more than 1 award.

(5) Awards shall be announced by March 31, 2011.

Sec. 1035. (1) From the appropriation in part 1, the Michigan council for arts and cultural affairs shall administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline for administering this program. The council shall do all of the following:

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

(b) A nonrefundable application fee may be assessed for each application. Application fees shall be deposited in the council for the arts fund and are appropriated for expenses necessary to administer the programs. These funds are available for expenditure when they are received and may be carried forward to the following fiscal year.

(c) Grants are to be made to public and private arts and cultural entities.

(d) Within 1 business day after the award announcements, the council shall provide to each member of the legislature and the fiscal agencies a list of all grant recipients and the total award given to each recipient, sorted by county.

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

**REVENUE STATEMENT**

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

**BUDGET RECOMMENDATIONS BY OPERATING FUNDS**

(Amounts in millions)

Fiscal Year 2010-2011

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General fund/general purpose.....	0110	33.1	7,969.9	4.6
General fund/special purpose.....		548.9	22,754.3	619.6
Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	2.2	0.0	2.2
Game and fish protection.....	0112	4.2	63.1	1.2
Michigan employment security act administration.....	0113	15.0	12.0	15.0
State aeronautics.....	0114	4.2	131.4	0.1
Michigan veterans' benefit trust.....	0115	0.0	5.0	0.0
State trunkline.....	0116	(13.2)	1,309.7	(19.7)
Michigan state waterways.....	0117	1.5	27.5	0.0
Blue Water Bridge.....	0118	13.2	21.3	19.7
Michigan transportation.....	0119	0.0	1,796.9	0.0
Comprehensive transportation.....	0120	6.6	304.8	0.0
School aid.....	0122	0.0	12,727.4	0.0
Game and fish protection trust.....	0124	6.0	8.1	6.0
State park improvement.....	0125	0.5	38.2	0.0
Forest development.....	0126	1.0	28.0	0.0
Michigan civilian conservation corps endowment.....	0128	0.0	0.0	0.0
Michigan natural resources trust.....	0129	31.2	45.6	28.1
Michigan state parks endowment.....	0130	0.0	10.4	0.0
Safety education and training.....	0131	7.1	9.2	8.0
Bottle deposit.....	0136	0.0	10.8	0.0
State construction code.....	0138	5.8	7.4	2.8
Children's trust.....	0139	1.1	3.8	0.9
State casino gaming.....	0140	1.9	34.2	2.0
Homeowner construction lien recovery.....	0141	0.0	0.0	0.0
Michigan nongame fish and wildlife.....	0143	0.1	0.3	0.0
Michigan merit award trust.....	0154	6.1	175.2	0.0
Outdoor recreation legacy.....	0162	0.2	2.2	0.0
Off-road vehicle account.....	0163	0.2	3.3	0.1
Snowmobile account.....	0164	0.3	11.0	0.0
Silicosis dust disease and logging.....	0870	2.3	1.9	2.3
Utility consumer representation.....	0893	1.2	1.2	1.0
<b>TOTALS.....</b>		<b>\$680.7</b>	<b>\$47,514.1</b>	<b>\$693.9</b>

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal years ending September 30, 2010 and September 30, 2011; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and

employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Fred Durhal, Jr.  
 Bill Rogers  
 Conferees for the House

John Pappageorge  
 Mark Jansen  
 Deborah Cherry  
 Conferees for the Senate

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

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

The question being on the adoption of the conference report,

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

**Roll Call No. 501**

**Yeas—34**

Allen	Clark-Coleman	Jelinek	Prusi
Anderson	Clarke	Kahn	Richardville
Barcia	Cropsey	Kuipers	Scott
Basham	Garcia	McManus	Stamas
Birkholz	Gleason	Nofs	Switalski
Bishop	Hardiman	Olshove	Thomas
Brater	Hunter	Pappageorge	Van Woerkom
Brown	Jacobs	Patterson	Whitmer
Cherry	Jansen		

**Nays—4**

Cassis	George	Gilbert	Sanborn
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**Excused—0**

**Not Voting—0**

In The Chair: President

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

**Senate Bill No. 1226, entitled**

A bill to amend 1943 PA 240, entitled “An act to provide for a state employees’ retirement system; to create a state employees’ retirement board and prescribe its powers and duties; to establish certain funds in connection with the retirement system; to require contributions to the retirement system by and on behalf of members and participants of the retirement system; to create certain accounts and provide for expenditures from those accounts; to prescribe the powers and duties of certain state and local officers and employees and certain state departments and agencies; to prescribe and make appropriations for the retirement system; and to prescribe penalties and provide remedies,” by amending sections 38, 68, and 68c (MCL 38.38, 38.68, and 38.68c), section 38 as amended by 2007 PA 16, section 68 as added by 1996 PA 487, and section 68c as amended by 2010 PA 54, and by adding sections 19j, 20i, 35, and 68d.

(The House substitute was concurred in on September 23 and the motion for immediate effect postponed. See Senate Journal No. 79, p. 1611.)

The question being on the motion to give the bill immediate effect,

The motion prevailed, 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.

By unanimous consent the Senate returned to the order of

#### **Motions and Communications**

Senator Cropsey moved that when the Senate adjourns today, it stand adjourned until Wednesday, October 6, at 10:00 a.m.; when the Senate adjourns on Wednesday, October 6, it stand adjourned until Wednesday, October 20, at 10:00 a.m.; and when the Senate adjourns on Wednesday, October 20, it stand adjourned until Wednesday, November 3, at 12:00 noon.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

#### **Statements**

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

The motion prevailed.

Senator Scott's statement is as follows:

President Theodore Roosevelt said, "It is only through labor and painful effort, by grim energy and resolute courage, that we move on to better things." Auto insurance reform does not have to be painful. It is clear that many average citizens as well as leaders believe that auto insurance is broken and needs to be fixed. Major newspapers have argued for auto insurance reform. Many people have joined me at several rallies out on our front lawn here at the Capitol to let their voices be heard in support of auto insurance reform.

Our constituents have spoken, and they have not told us to leave things as they are, to go with the auto insurance status quo. They have told us that they want change. It is up to us to have the courage to fix auto insurance. It is up to us to make insurance fair and affordable for all Michigan drivers, who have no choice but to buy insurance if they want to obey the law. It is our job to listen to the voters who sent us to Lansing to speak on their behalf and finally pass auto insurance reform.

We just need to treat all people fairly. Yesterday, one of my colleagues made a statement under Statements regarding Bridge Cards and phone sales. That is, we treat people differently in different areas of the state. In the area I live in, people have a hard time. The ones who really need the Bridge Cards can't get them. Others, they can go in and nobody really checks their background. Let's just make things fair.

Senator Birkholz's statement is as follows:

We are on the verge of the implementation of one of our most significant reforms in our state this year. That is, the Michigan state park recreational passport program. Friday, October 1, is the date on which all citizens will be able to see their park pass entrance rates go down, a 60 percent reduction. They will be able to buy their State Park Passport at any of our Secretary of State offices or through their online services.

By cutting the entrance fees from \$24 to \$10, Michigan residents will be able to visit all 98 state parks and 100 percent of the boating access sites at the same time for this great value. However, we have recently learned that the Secretary of State has not included the check-off form in every license plate application that has gone out and will be going out in the next few days. Apparently, it takes them 45 days to do so, but constituents can still get the new sticker for \$10. So they will have to look closely to see if they got the envelope with or without, but if they include the \$10, they still will be able to get the new sticker.

Michigan state parks are the crown jewels in this state, and we need to remember that. This new program taking effect will help us get more of our residents into our Michigan state parks. Tomorrow at 10:00 a.m., for all of you who might spend the night here in Lansing and be here tomorrow morning, the new state parks RV will be outside the Capitol on the east side. If you are in town, I urge you to stop by and visit the new RV. If you have questions, you can get them answered there, and you can also talk to DNRE state parks staff. In the meantime, [www.michigan.gov/recreationpassport](http://www.michigan.gov/recreationpassport) is the online destination.

Thank you to all of my Senate colleagues who voted to support this great program, that gives our citizens a reduction in the cost of entering our state parks and a more convenient way to enter our state parks.

Senator Hardiman's statement is as follows:

I rise to object to the continued funding of the Michigan Home Based Child Care Council and the union dues that come out of the Department of Human Services budget. The Senate-passed version of this budget would have stopped that practice. Unfortunately, while I pushed very hard, the conference report did not include those provisions.

Earlier this year, we had a number of hearings on this issue in subcommittee, and I learned more about this. The more I learn, the more objectionable this is. We looked at the purpose of the council and the child care union. We heard things like promoting professionalism and training. However, we found little or no evidence of such efforts. Mott Community College helped start the council based on its work with child care providers. Their president said he has had little contact with the council since its inception.

Additionally, we looked at the services the council is supposed to provide. These are already provided by appropriations to the department and the Early Childhood Investment Corporation. They do a fine job. We already fund these entities with millions of dollars for the same services. The council and the union do not add significant, if any, value.

When I review the Department of Human Services website in the section entitled Child Care, I was overwhelmed with the amount of information available, the training opportunities, interactive capabilities, information on bills, and so on and so forth. I am impressed with what they are doing, but this is not the council.

Let me be clear. This is not a statement against unions per se; however, this child care union was created under false pretenses. The linchpin for this whole travesty is the Michigan Home Based Child Care Council. The false pretense is that the child care council is supposedly the employer of thousands of small-business owners typically running their own small child care businesses.

This duplicity is compounded by the fact that these small-business owners are public employees. They are not. In our hearings, we heard from a representative from the Michigan Employee Relations Commission who certified this group of employees. When I asked: How do you know they are public employees? She said, "That's not my job to look into that." The process did not work. Some say that it did. They say that the union is valid. I disagree because of that very important part that they are not public employees. Let me be clear. The end goal of unionizing more workers and collecting union dues does not justify the duplicitous actions by which the council reached its established goal.

Some say the next Governor can rectify this situation. If the funding for the Michigan Home Base Child Care Council still exists at that time, I hope and pray that the next Governor will stop this forced unionization. Some will say that you can't force unionization in Michigan. They say that you can't do that because one can leave the union. But that simply means that their pay will still be deducted in the equivalent amount of the union dues. It is a travesty, and we should end it. But why should we wait for the next Governor? We should end it right now. This injustice can be stopped right now by the CEO of this state, our Governor. She can end this forced unionization. I call on Governor Granholm to do the right thing, to stop forced unionization and the skimming of union dues from independent contractors. Governor Granholm, dissolve this council.

### Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 4:54 p.m.

5:52 p.m.

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

By unanimous consent the Senate returned to the order of

### Messages from the House

The House of Representatives returned, in accordance with the request of the Senate  
**House Bill No. 5409, entitled**

A bill to make, supplement, and adjust appropriations for various state departments and agencies, for the judicial branch, and for the legislative branch, for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Senator Cropsey moved that the bill be re-transmitted to the House of Representatives.

The motion prevailed.

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

**House Bill No. 5889, entitled**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

The House of Representatives has adopted the report of the Committee of Conference.  
The Conference Report was read as follows:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning  
**House Bill No. 5889, entitled**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Recommends:

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

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of 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 state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**STATE TRANSPORTATION DEPARTMENT**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	3,016.3	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 3,235,969,400</b>
Total interdepartmental grants and intradepartmental transfers .....		878,300
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 3,235,091,100</b>
Federal revenues:		
DOT, federal transit act .....		61,285,000
DOT-FHWA, highway research, planning, and construction.....		1,060,167,700
DOT-FRA, local rail service assistance.....		100,000
DOT-FRA, rail passenger/HSGT .....		3,000,000
DOT, federal aviation administration .....		102,927,900
Total federal revenues.....		1,227,480,600
Special revenue funds:		
Local revenues.....		56,496,000
Total local and private revenues .....		56,496,000
Blue Water Bridge fund.....		14,966,900
Comprehensive transportation fund.....		237,120,000
Economic development fund .....		42,145,100
IRS debt service rebate .....		7,523,400
Intercity bus equipment fund.....		2,000,000

	For Fiscal Year Ending Sept. 30, 2011
Local bridge fund .....	\$ 30,061,300
Michigan transportation fund .....	943,331,000
Other state restricted revenues .....	2,975,400
Rail freight fund .....	2,000,000
State aeronautics fund .....	16,551,900
State trunkline fund .....	652,439,500
Total other state restricted revenues .....	1,951,114,500
State general fund/general purpose .....	\$ 0
<b>Sec. 102. DEBT SERVICE</b>	
State trunkline .....	\$ 198,853,000
Economic development.....	9,173,400
Local bridge fund.....	3,261,500
Blue Water Bridge fund.....	2,216,400
Airport safety and protection plan.....	3,456,000
Comprehensive transportation .....	29,852,700
GROSS APPROPRIATION .....	\$ 246,813,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	45,832,100
Special revenue funds:	
Blue Water Bridge fund.....	2,216,400
Comprehensive transportation fund .....	29,852,700
Economic development fund .....	9,173,400
Local bridge fund .....	3,261,500
IRS debt service rebate .....	7,523,400
State aeronautics fund .....	3,456,000
State trunkline fund .....	145,497,500
State general fund/general purpose .....	\$ 0
<b>Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES</b>	
MTF grant to department of natural resources and environment.....	\$ 1,132,600
MTF grant to department of state for collection of revenue and fees .....	20,000,000
MTF grant to department of treasury.....	8,383,600
MTF grant to legislative auditor general.....	204,300
STF grant to department of attorney general .....	2,867,300
STF grant to civil service commission.....	5,697,000
STF grant to department of technology, management, and budget.....	1,218,600
STF grant to department of state police.....	10,203,200
STF grant to department of treasury .....	142,200
STF grant to legislative auditor general .....	474,600
SAF grant to department of attorney general.....	169,500
SAF grant to civil service commission .....	150,000
SAF grant to department of technology, management, and budget .....	32,800
SAF grant to department of treasury.....	76,100
SAF grant to legislative auditor general.....	19,600
CTF grant to department of attorney general.....	171,700
CTF grant to civil service commission .....	200,000
CTF grant to department of technology, management, and budget .....	37,400
CTF grant to department of treasury .....	6,500
CTF grant to legislative auditor general.....	25,200
GROSS APPROPRIATION .....	\$ 51,212,200
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	440,800
Michigan transportation fund .....	29,720,500

	For Fiscal Year Ending Sept. 30, 2011
State aeronautics fund .....	\$ 448,000
State trunkline fund .....	20,602,900
State general fund/general purpose .....	
<b>Sec. 104. EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions ..... 31.3	
Unclassified salaries .....	\$ 602,800
Asset management council .....	1,626,400
Commission audit—31.3 FTE positions.....	3,433,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 5,662,200</u>
Appropriated from:	
Special revenue funds:	
Michigan transportation fund .....	1,626,400
State trunkline fund .....	4,035,800
State general fund/general purpose .....	\$ 0
<b>Sec. 105. BUSINESS SUPPORT</b>	
Full-time equated classified positions ..... 58.0	
Business support services—49.0 FTE positions.....	\$ 6,059,100
Economic development and enhancement programs—9.0 FTE positions.....	1,194,100
Property management .....	7,754,600
Worker’s compensation.....	1,784,600
<b>GROSS APPROPRIATION</b> .....	<u>\$ 16,792,400</u>
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	1,304,700
Economic development fund .....	468,900
Michigan transportation fund .....	201,700
State aeronautics fund .....	625,000
State trunkline fund .....	14,192,100
State general fund/general purpose .....	\$ 0
<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 27,831,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 27,831,000</u>
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	520,500
Special revenue funds:	
Blue Water Bridge fund.....	48,300
Comprehensive transportation fund .....	192,400
Economic development fund .....	37,200
Michigan transportation fund .....	254,200
State aeronautics fund .....	150,200
State trunkline fund .....	26,628,200
State general fund/general purpose .....	\$ 0
<b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>	
Full-time equated classified positions ..... 250.5	
Financial operations—87.0 FTE positions .....	\$ 8,825,900
Contract services—53.6 FTE positions .....	5,155,900
Department services—41.9 FTE positions .....	5,207,600
Performance excellence—13.0 FTE positions.....	1,501,000
Welcome center operations—55.0 FTE positions .....	3,931,100
<b>GROSS APPROPRIATION</b> .....	<u>\$ 24,621,500</u>
Appropriated from:	
Interdepartmental grant revenues:	
IDG for accounting service center user charges .....	878,300

	For Fiscal Year Ending Sept. 30, 2011
Special revenue funds:	
Michigan transportation fund .....	\$ 1,792,700
State trunkline fund .....	21,950,500
State general fund/general purpose .....	
<b>Sec. 108. TRANSPORTATION PLANNING</b>	
Full-time equated classified positions .....	176.0
Statewide planning services—124.0 FTE positions .....	\$ 14,467,400
Data collection services—52.0 FTE positions .....	6,414,200
Specialized planning services and local studies .....	16,504,800
Grants to regional planning councils.....	488,800
GROSS APPROPRIATION .....	\$ 37,875,200
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	22,000,000
Special revenue funds:	
Comprehensive transportation fund .....	960,300
Michigan transportation fund .....	6,304,500
State aeronautics fund .....	15,000
State trunkline fund .....	8,595,400
State general fund/general purpose .....	\$ 0
<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>	
Full-time equated classified positions .....	1,492.8
Engineering services—800.1 FTE positions .....	\$ 66,021,300
Program services—680.7 FTE positions .....	40,074,000
Intelligent transportation systems operations—12.0 FTE positions.....	10,562,700
GROSS APPROPRIATION .....	\$ 116,658,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	23,529,800
Special revenue funds:	
Michigan transportation fund .....	6,355,300
State trunkline fund .....	86,772,900
State general fund/general purpose .....	\$ 0
<b>Sec. 110. HIGHWAY MAINTENANCE</b>	
Full-time equated classified positions .....	836.7
State trunkline operations—836.7 FTE positions.....	\$ 274,663,900
GROSS APPROPRIATION .....	\$ 274,663,900
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	274,663,900
State general fund/general purpose .....	\$ 0
<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>	
State trunkline federal aid and road and bridge construction .....	\$ 796,226,200
Local federal aid and road and bridge construction.....	248,751,000
Grants to local programs .....	33,000,000
Rail grade crossing.....	3,000,000
Local bridge program .....	26,799,800
County road commissions .....	551,352,700
Cities and villages .....	307,403,800
GROSS APPROPRIATION .....	\$ 1,966,533,500
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	961,770,500
Special revenue funds:	
Local funds.....	30,000,000
Blue Water Bridge fund.....	7,107,300

	For Fiscal Year Ending Sept. 30, 2011
Local bridge fund .....	\$ 26,799,800
Michigan transportation fund .....	894,756,500
State trunkline fund .....	46,099,400
State general fund/general purpose .....	\$ 0
<b>Sec. 112. BLUE WATER BRIDGE</b>	
Full-time equated classified positions .....	41.0
Blue Water Bridge operations—41.0 FTE positions .....	\$ 5,594,900
GROSS APPROPRIATION .....	\$ 5,594,900
Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund.....	5,594,900
State general fund/general purpose .....	\$ 0
<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT</b>	
Forest roads .....	\$ 5,040,000
Rural county urban system.....	2,500,000
Target industries/economic redevelopment.....	7,212,700
Urban county congestion.....	8,356,400
Rural county primary.....	8,356,400
Nonprofit street railway.....	1,000,000
GROSS APPROPRIATION .....	\$ 32,465,500
Appropriated from:	
Special revenue funds:	
Economic development fund .....	32,465,500
State general fund/general purpose .....	\$ 0
<b>Sec. 114. AERONAUTICS AND FREIGHT SERVICES</b>	
Full-time equated classified positions .....	84.0
Airport improvement services—30.0 FTE positions .....	\$ 3,102,000
Aviation services—26.0 FTE positions .....	4,418,600
Freight and safety services—28.0 FTE positions.....	3,709,200
Air service program.....	464,600
GROSS APPROPRIATION .....	\$ 11,694,400
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	1,604,800
Michigan transportation fund .....	2,104,400
State aeronautics fund .....	7,985,200
State general fund/general purpose .....	\$ 0
<b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>	
Full-time equated classified positions .....	46.0
Passenger transportation services—46.0 FTE positions .....	\$ 5,827,600
GROSS APPROPRIATION .....	\$ 5,827,600
Appropriated from:	
Federal revenues:	
DOT, federal transit act .....	862,100
Special revenue funds:	
Comprehensive transportation fund.....	4,750,700
Michigan transportation fund .....	214,800
State general fund/general purpose .....	\$ 0
<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>	
Local bus operating .....	\$ 166,624,000
Nonurban operating/capital .....	22,787,900
GROSS APPROPRIATION .....	\$ 189,411,900
Appropriated from:	
Federal revenues:	
DOT, federal transit act .....	21,987,900

	For Fiscal Year Ending Sept. 30, 2011
Special revenue funds:	
Comprehensive transportation fund .....	\$ 166,624,000
Local funds .....	800,000
State general fund/general purpose .....	\$ 0
<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>	
Freight property management.....	\$ 1,000,000
Detroit/Wayne County port authority .....	468,200
Intercity services.....	7,250,000
Rail passenger service .....	11,667,000
Freight preservation and development.....	3,364,200
Marine passenger service .....	400,000
Terminal development .....	150,000
GROSS APPROPRIATION .....	\$ 24,299,400
Appropriated from:	
Federal revenues:	
DOT, federal transit act .....	4,500,000
DOT-FRA, local rail service assistance.....	100,000
DOT-FRA, rail passenger/HSGT .....	3,000,000
Special revenue funds:	
Local funds .....	50,000
Comprehensive transportation fund .....	12,649,400
Intercity bus equipment fund.....	2,000,000
Rail freight fund.....	2,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
Specialized services.....	\$ 7,443,800
Municipal credit program.....	2,000,000
Bus capital.....	41,300,000
Van pooling .....	195,000
Service initiatives .....	1,400,000
Transit oriented development .....	100
Transportation to work .....	9,536,400
GROSS APPROPRIATION .....	\$ 61,875,300
Appropriated from:	
Federal revenues:	
DOT, federal transit act .....	33,935,000
Special revenue funds:	
Local funds .....	9,200,000
Economic development fund .....	100
Comprehensive transportation fund .....	18,740,200
State general fund/general purpose .....	\$ 0
<b>Sec. 119. CAPITAL OUTLAY</b>	
<b>(1) BUILDINGS AND FACILITIES</b>	
Port Huron replacement welcome center, inspection station, Blue Water Bridge administration and maintenance satellite facilities .....	\$ 9,889,600
Special maintenance, remodeling, and additions.....	3,001,500
GROSS APPROPRIATION .....	12,891,100
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	6,514,800
Special revenue funds:	
Other state restricted revenues .....	2,975,400
State trunkline fund.....	3,400,900
State general fund/general purpose .....	\$ 0

	For Fiscal Year Ending Sept. 30, 2011
<b>(2) AIRPORT IMPROVEMENT PROGRAMS</b>	
Airport safety, protection and improvement program .....	\$ 123,246,400
<b>GROSS APPROPRIATION</b> .....	<u>123,246,400</u>
Appropriated from:	
Federal revenues:	
DOT, federal aviation administration .....	102,927,900
Special revenue funds:	
Local funds .....	16,446,000
State aeronautics fund .....	3,872,500
State general fund/general purpose .....	\$ 0

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$1,951,114,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,144,035,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**DEPARTMENT OF TRANSPORTATION**

Grants to regional planning councils .....	\$ 488,800
Grants to local programs .....	33,000,000
Rail grade crossing .....	3,000,000
Local bridge program .....	26,799,800
Grants to county road commissions .....	551,352,700
Grants to cities and villages .....	307,403,800
Economic development fund .....	31,465,500
Air service program .....	464,400
Local bus operating .....	166,624,000
Bus capital .....	8,000,000
Detroit/Wayne County port authority .....	468,200
Marine passenger service .....	400,000
Terminal development .....	150,000
Specialized services .....	3,958,800
Municipal credit program .....	2,000,000
Service initiatives .....	50,000
Transportation to work .....	4,536,400
Airport safety, protection, and improvement program .....	<u>3,872,500</u>
Total payments to local units of government .....	\$ 1,144,035,100

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) "AASHTO" means the American association of state highway and transportation officials.
- (b) "ASTM" means the American society for testing and materials.
- (c) "CTF" means comprehensive transportation fund.
- (d) "Department" means the department of transportation.
- (e) "DOT" means the United States department of transportation.
- (f) "DOT-FHWA" means DOT, federal highway administration.
- (g) "DOT-FRA" means DOT, federal railroad administration.
- (h) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (i) "EDF" means economic development fund.
- (j) "FTE" means full-time equated.
- (k) "IRS" means internal revenue service.
- (l) "MTF" means Michigan transportation fund.
- (m) "RIF" means recreation improvement fund.
- (n) "SAF" means state aeronautics fund.
- (o) "STF" means state trunkline fund.

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

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

(2) The state budget director may grant exceptions to 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, causes loss of revenue to the state, would result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 207. When beginning any effort to privatize, the department shall submit a complete project plan to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies. The plan shall include the rationale for privatization, including a cost-benefit analysis if appropriate. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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

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

Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

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

Sec. 260. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 261. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

Sec. 262. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 263. (1) The department shall report no later than April 1, 2011 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 266. (1) On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies.

(2) From the funds appropriated in part 1, the department shall use an amount not to exceed \$10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made. The department shall not be required to hire additional employees to comply with this section.

#### **DEPARTMENTAL SECTIONS**

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, unless otherwise stipulated by law. All permit fees are nonrefundable application fees and shall be credited to the appropriate fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. The department shall permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain and improve the property.

Sec. 306. (1) The amounts appropriated in section 103 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments shall be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts shall be executed prior to the expenditure or obligation of those funds. The contracts shall provide, but are not limited to, the following data applicable to each state department:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services provided to the department and/or transportation funds and financed with transportation funds.

(c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general, and the report shall be subject to audit by the auditor general as provided in subsection (3).

(3) In addition to the requirements of subsection (2), the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the department of treasury for state restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.

(4) Biennially, in each even-numbered fiscal year, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years. The audit shall include both charges governed by interdepartmental contracts as well as miscellaneous charges from other state departments not governed by contracts. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a summary of charges and related services to transportation funds by department, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any unreimbursed transportation-related costs, if any. The report shall be provided to the senate and house of representatives committees on appropriations, the senate and house fiscal agencies, and the state budget director 9 months after publication of the state of Michigan comprehensive annual financial report.

Sec. 307. Before March 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director on their respective activities under this section.

Sec. 309. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 312. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department

of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on February 1 of each year and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:

- (a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.
- (b) The time charged to each work activity, including time charged to each audit, review, or investigation.
- (c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 321. In evaluating and awarding enhancement grants, the department shall give preference to applicants which have adopted complete streets policies. In addition, the department shall give preference to enhancement grant applications which further complete streets policy objectives. The department shall report to the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies, on or before March 1, 2011, on the specific actions taken to comply with the intent of this section.

Sec. 322. Upon request of a university, the department shall work with representatives of state public universities to assist in the development and implementation of complete streets policies on university road and street systems.

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by September 30 of each year to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 374. The department shall produce and distribute all employee newsletters electronically.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with ground-breaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 376. No later than March 1, 2011, the department shall report to the senate and house appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored. It is the intent of the legislature that this be the final report on the status of these 17 projects.

Sec. 383. (1) The department shall prepare a quarterly report on all travel by executive branch employees, and others including local public officials, university employees, and other public employees on department-owned aircraft. The report shall include, by department, the name of the traveler, the travel origination location, the travel destination location, type of aircraft, and the total estimated costs associated with the air travel.

(2) The report shall be submitted to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies.

(3) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader or the speaker of the house of representatives and only when the aircraft is already scheduled by state employees on related official state business.

(4) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

Sec. 384. (1) From the funds appropriated in part 1, the department may expend from October 1, 2010 through December 31, 2010 an amount not to exceed \$250,000.00 of state transportation revenue under any contract originally entered into before September 1, 2010 for the Detroit River International Crossing.

(2) From the funds appropriated in part 1, the department may expend from January 1, 2011 through May 31, 2011 \$500,000.00 of state transportation revenue under any contract originally entered into before September 1, 2010 for the Detroit River International Crossing.

(3) The department shall not commit the state to any new contract related to the Detroit River International Crossing, after September 1, 2010, unless the legislature has enacted specific enabling legislation to allow for the construction of the Detroit River International Crossing.

(4) Notwithstanding anything that may be to the contrary in subsection (1), on or before March 31, 2011, the department shall report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities related to the Detroit River International Crossing.

(5) If the legislature enacts specific enabling legislation for the construction of the Detroit River International Crossing, subsections (1), (2), and (3) do not apply once the enabling legislation goes into effect.

Sec. 385. The department shall not use toll credits generated by a private tolled bridge crossing to finance, design, plan, construct, operate, or maintain any international bridge crossing within 5 miles of that privately tolled bridge.

Sec. 393. The department shall promote best practices for public transportation services in this state, including, but not limited to, the following:

(a) Transit vehicle rehabilitation to reduce life-cycle cost of public transportation through mid-life rehabilitation of transit buses.

(b) Coordination with the Michigan economic development corporation to promote transition of bus fleets hybrid transit vehicles with a view to promotion of fuel economy.

(c) Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.

(d) Coordination of transportation dollars among state departments which provide transit-related services, including the department of human services and the department of community health. Priority should be given to use of public transportation services where available.

(e) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.

Sec. 394. (1) From the funds appropriated in part 1, the department shall conduct a study, in consultation with the county road association of Michigan and the Michigan municipal league, of the current statutory formulae for the distribution of state and federal revenue for surface transportation programs. The study shall include an analysis of alternative distribution strategies and a discussion of the extent to which current and alternative distribution formulae contribute to statewide transportation goals. The study shall include all of the following:

(a) A discussion of alternative distribution strategies for state and local road and street programs, including distribution methods based on vehicle miles traveled as compared to lane miles.

(b) A comparison of vehicle miles traveled to lane miles for the sampled geographical areas as well as comparisons to other states and an evaluation of best practices.

(c) A discussion of alternative methods of distributing state operating assistance for local bus transit programs, including an analysis of incentives for those agencies which demonstrate efficient use of resources and increasing ridership levels.

(d) An analysis of the fiscal impact of alternative strategies to individual transit and road agencies.

(2) The department shall deliver a report on the findings of the study by March 1, 2011 to the house and senate appropriations subcommittees on transportation, the house and senate transportation committees, the house and senate fiscal agencies, and the state budget director.

Sec. 395. It is the intent of the legislature that the department assume jurisdiction of county road C-56 between US-31 at Charlevoix and M-75 at Boyne City in Charlevoix County.

Sec. 398. The appropriation included in part 1 to a nonprofit street railway is pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e. A nonprofit street railway receiving appropriations from part 1 shall submit a quarterly report to the department, including, but not limited to, the construction spending, operating cost, revenue, and ridership, for the preceding fiscal quarter no later than 60 days after the end of the quarter.

Sec. 399. The appropriation in section 118 for transit-oriented development is intended to provide matching funds for transit-oriented development projects, including, but not limited to, high-speed rail, commuter and light rail, or fixed-guideway projects.

#### **FEDERAL**

Sec. 401. Within 30 days of receiving the applicable fiscal year authorization from the federal government to commit transportation funds, the department shall notify local agency representatives, the senate and house of representatives appropriations transportation subcommittees, the senate and house fiscal agencies, and the state budget director regarding the amount of federal aid for categorical allocations to state and local agency programs not specifically allocated in either federal or state law.

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to the state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

#### **MICHIGAN TRANSPORTATION FUND**

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of energy, labor, and economic growth or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) In addition to the funds appropriated in part 1, the department of transportation economic development fund and local bridge fund may receive federal, local, or private funds or restricted source funds such as interest earnings. These funds are appropriated for projects that are consistent with the purposes of the respective funds.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreation improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

#### **STATE TRUNKLINE FUND**

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before March 1 of each year. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 604. It is the intent of the legislature that the department shall place signs designed in compliance with the Michigan manual on uniform traffic control devices for streets and highways at each highway construction work zone subject to the jurisdiction of the department. The signs shall notify the operators of vehicles in a work zone of the increased fines and penalties provided for the protection and safety of construction workers and the public under section 601b of the Michigan vehicle code, 1949 PA 300, MCL 257.601b.

Sec. 607. It is the intent of the legislature that the Michigan department of transportation work to add a southbound entrance ramp at the interchange of I-75 at Corunna Road in the charter township of Flint.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1 of each year, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 615. It is the intent of the legislature that the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. It is the intent of the legislature that the department develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2011.

Sec. 654. It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

Sec. 656. It is the intent of the legislature that the department upgrade that section of M-49 from M-99 to US-12 to standards necessary for designation as a designated highway as provided under sections 717 and 718 of the Michigan vehicle code, 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a "green" special designated highway on the department's truck operator's map.

Sec. 658. It is the intent of the legislature that the department proceed with the reconstruction of the interchange at I-196 and Phoenix Road in South Haven.

Sec. 659. For pavement projects for which there are no Michigan actual historic project maintenance, repair, and resurfacing schedules and costs as recorded by the pavement management system, the department may use actual historical and comparable data for equivalent designs from states with similar climates, soil structures, and vehicle traffic.

Sec. 660. The legislature encourages the department to examine the use of alternative road surface materials, including recycled materials, and to develop criteria and specifications for its use in both department-managed and contracted projects.

Sec. 661. It is the intent of the legislature that the department complete engineering design work and right-of-way acquisitions for the proposed expressway project along US-127 from St. Johns in Clinton County to Ithaca in Gratiot County.

Sec. 662. It is the intent of the legislature that the department shall work with the Graafschap Fire Department and Laketown Township to develop a gated, limited access point along US-31 in Allegan County in order to improve emergency response times along this highway.

Sec. 664. It is the intent of the legislature that if actual state-restricted revenue deposited to the Michigan transportation fund exceeds the revenue estimates upon which the appropriations in part 1 of this act were based, the department shall give priority to reinstating delayed and deferred projects.

Sec. 665. It is the intent of the legislature that from the funds appropriated in part 1, the department shall not purchase property in Watervliet Charter Township along Interstate 94 for the purpose of constructing a new rest area.

#### **COMPREHENSIVE TRANSPORTATION FUND**

Sec. 701. Money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment. At the close of the fiscal year, any funds remaining in the intercity bus equipment fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail freight fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

Sec. 708. If funds appropriated in part 1 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than \$1,000.00 per bus per year for their use.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

- Between St. Ignace and Escanaba US-2
- Between Escanaba and Duluth US-2 through Ironwood to the state line
- Between Calumet and Escanaba US-41
- Between Escanaba and Milwaukee US-41 through Menominee to the state line
- Between St. Ignace and Sault Ste. Marie I-75
- Between Detroit and Chicago I-94 from Detroit to the state line
- Between Detroit and Muskegon I-96
- Between Grand Rapids, Holland, and Benton Harbor I-196 to I-94
- Between Muskegon and Grand Rapids US-31, I-96
- Between Detroit and Bay City I-75
- Between Bay City and Mount Pleasant US-10, M-20
- Between Jackson and Traverse City US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
- Between Jackson and Indianapolis I-69, I-94 to the state line through Albion, Marshall, and Coldwater
- Between Houghton Lake and Cadillac M-55 and M-66
- Between Detroit and Toledo I-75 to the state line
- Between the Indiana state line and Traverse City US-31 and I-196
- Between Detroit and Port Huron I-375 and I-94
- Between Toledo and Bay City US-23, I-75, and I-675, I-75
- Between Bay City and Chicago I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
- Between Flint and Lansing I-69, M-21, Owosso, M-52, I-69
- Between Bay City and St. Ignace I-75, US-23
- Between Grand Rapids and St. Ignace US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
- Between Kalamazoo and Grand Rapids US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago, consistent with the other provisions of this section.

(2) The rail carrier shall, as a condition to receiving a state operating subsidy, maintain a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

(3) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance.

(4) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.

(5) For rail passenger service supported in any part through capital or operating assistance from funds appropriated in this act, the department shall work with the rail carrier to identify ways in which reasonable transport of bicycles by passengers can be accommodated.

Sec. 714. The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.

Sec. 731. The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Sec. 734. (1) The department shall ensure that all public transit agencies provide the highest quality public transit service by moving people in a cost-effective, safe, and user-friendly manner that maintains and attracts residents and businesses.

(2) Public transit agencies receiving funds under part 1 shall do all of the following:

(a) Provide efficient, cost-effective, safe, well-maintained, reliable, customer-driven transportation services.

(b) Provide a quality work environment that has and fulfills employee performance, productivity, and development standards.

(c) Identify and capture all available funding or create cost-effective programs to eliminate debt and have a balanced budget.

(d) Maintain sufficient local and community funding.

(e) Support business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

Sec. 740. The department shall report by March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director the encumbered and unencumbered balances of the comprehensive transportation fund.

Sec. 741. The department shall report by March 1, 2011 to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director on progress of operations on the Ann Arbor and NW Michigan railroad, particularly concerning any use of the track infrastructure for the purpose of supporting a passenger train speed of 59 miles per hour.

Sec. 743. The legislature encourages the department to include a hybrid-electric vehicle (HEV) option in all requests for proposal for vehicles up to and including Class 5 purchased by or through the department.

Sec. 745. From the funds appropriated in part 1 for comprehensive transportation fund debt service, up to \$13,200,000.00 shall be transferred to a restricted account in compliance with the internal revenue code of 1986, as required by comprehensive transportation refunding bonds series 2009.

#### **AERONAUTICS FUND**

Sec. 801. Except as otherwise provided in section 903 for capital outlay, at the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

#### **CAPITAL OUTLAY**

Sec. 901. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in part 1.

(2) Political entities and subdivisions shall provide not less than 2.5% of the cost of any project under this section, unless a total nonfederal share greater than 5% is otherwise specified in federal law. State money shall not be allocated until local money is allocated. State money for any 1 project shall not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this act and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

Sec. 902. Before the end of each fiscal year, the state transportation department shall report to the house and senate appropriations subcommittees on transportation the status of airport improvement projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify the house and senate appropriations subcommittees on transportation in writing of the date the report will be received.

Sec. 903. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 904. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations and designated as work project appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Lee Gonzales  
Richard LeBlanc  
Conferees for the House

Bill Hardiman  
Alan L. Cropsey  
Glenn Anderson  
Conferees for the Senate

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

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

The question being on the adoption of the conference report,

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

**Roll Call No. 502**

**Yeas—33**

- |          |               |             |              |
|----------|---------------|-------------|--------------|
| Allen    | Cherry        | Hardiman    | Prusi        |
| Anderson | Clark-Coleman | Hunter      | Richardville |
| Barcia   | Clarke        | Jacobs      | Scott        |
| Basham   | Cropsey       | Jansen      | Stamas       |
| Birkholz | Garcia        | Jelinek     | Switalski    |
| Bishop   | George        | Nofs        | Thomas       |
| Brater   | Gilbert       | Olshove     | Van Woerkom  |
| Brown    | Gleason       | Pappageorge | Whitmer      |
| Cassis   |               |             |              |

**Nays—3**

- |      |         |         |
|------|---------|---------|
| Kahn | Kuipers | McManus |
|------|---------|---------|

**Excused—0**

**Not Voting—2**

- |           |         |
|-----------|---------|
| Patterson | Sanborn |
|-----------|---------|

### Protest

Senator Kahn, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on House Bill No. 5889.

Senator Kahn's statement is as follows:

The Department of Transportation, as I see it, has been a profoundly bad actor. The DRIC project, when you cut to the chase, is about a taking. It's about a government bankrupting or attempting to bankrupt or intimidate or all of the above a private business which they have no intention of reimbursing.

In support of that behavior, as Senator Cropsey has pointed out, they've blocked the ramps to the Ambassador Bridge. Heck, they had them full of dirt until a newspaper article pointed out how dopey that was. Now they have black bags over the traffic lights there. We've spent \$240 million on the Gateway project—money not very well spent.

This is the last vote I think we are going to be taking before we go off to campaign here in Michigan, here in the United States, here in our country. In my experience with the DRIC project, there are folks who are supposed to be working for us in the Transportation Department ferrying around officials and hawking for them, officials from a foreign country.

This private company that they are, in fact, attacking is the same company that we offered the state tax credits which we dearly need in order to fund the Transportation budget in the first place.

So I vote "no," as there remains dollars which will go toward funding any part of the DRIC project.

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

The motion prevailed.

Senator Cropsey's statement is as follows:

I will reluctantly support this budget. Once again, the MDOT budget is the caboose on the budget train, all because the department waited until the last minute to claim the sky is falling on the DRIC issue. MDOT ignored the Legislature in 2006 and started a \$40 million study on a bridge that we said we did not want; \$40 million have been spent on a mega-project study which has failed to justify spending billions of tax dollars on a bridge that would take resources from road projects all over Michigan.

This budget curbs MDOT's excesses. We stop the department from entering into any new contracts on DRIC. Only contracts in place before September can be paid. MDOT must fulfill its contractual obligations and avoid liability and ill-will with vendors, but no new aspects of DRIC can be initiated. In other words, MDOT cannot spend any more than \$250,000 through the end of this year, at which time, a new administration will thankfully take over. The conference report is crystal clear; wrap it up, MDOT. Since the department is required to report all spending on DRIC by March 31, we'll see just how much taxpayer money this administration has wasted on this boondoggle.

Unfortunately, in last year's budget, MDOT misinterpreted the budget language, and that is being charitable. Before the ink was dry on the budget, an MDOT spokesman was quoted in the *Windsor Star* as saying that the limited funds for an investment grade traffic study would allow MDOT to match federal funds and spend a whole lot more. I want to be clear. That is not what the conference committee is adopting in this report. MDOT is limited to spending no more than \$250,000 each quarter through May 2011 and only from transportation resources available to the state in this budget.

In the last budget, MDOT agreed to do an investment grade traffic study. We gave them millions in tax dollars to do it. When we finally received the report—late, by the way—the authors of the report acknowledged that it was not an investment grade study. Instead, it was an overly-optimistic traffic projection by the same consultants who predicted traffic that never materialized on the bankrupt South Bay Expressway and the bankrupt North Carolina Connector.

MDOT failed to give us the report in May, just as they failed to provide a bill that would have allowed an up-or-down vote on DRIC. Instead, MDOT tried to shove through legislation that was a bold power grab. It was legislation that would give up our Michigan sovereignty to a foreign government and leave Michigan taxpayers on the hook.

Under this conference report, MDOT's credit card has been revoked. They can only spend for pre-existing contracts. MDOT cannot approve multimillion-dollar DRIC contracts late in this budget year as they did in 2006. They cannot sneak through contract extensions before the State Administrative Board like they did last year. This budget only provides funds to complete current contracts—no new spending, no new project components, no new permits, and no new shenanigans. So unless the Legislature specifically votes on enabling legislation, MDOT cannot drag taxpayers further into the DRIC quagmire.

MDOT must follow through on existing contract commitments only, which is consistent with our philosophy of making our state one in which businesses can rely on for its agreements. MDOT should be consistent with such agreements, and MDOT should not delay the completion of existing projects like the Gateway project in Detroit. Last Friday, I was embarrassed by the department when members of the Council of State Governments saw the Gateway project. What they

saw was highway ramps that have been completed for more than a year, for which taxpayers have paid dearly, but blocked by MDOT concrete barricades. That is shameful. MDOT needs to fulfill its commitments on this project and finish what it started, and stop delaying international and interstate commerce. MDOT, take down those barricades.

On a positive note, MDOT is to use toll credits generated by private transportation facilities so Michigan can obtain its federal transportation funds. After years of ignoring and minimizing these toll credits, the conference report is telling MDOT to use those toll credits instead of bonding or raiding other budgets. The department should make the most of this opportunity, and work with those private transportation facilities for the benefit of Michigan taxpayers, so we can fully utilize federal road funds all over this state, and put our construction companies to work.

Senator Basham's statement is as follows:

There is a lot I could say about this issue, but I won't. I would just encourage members to support House Bill No. 5889, the conference report. I would hope that we would do the right thing, and support this piece of legislation.

By unanimous consent the Senate returned to the order of

### Statements

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

The motion prevailed.

Senator Bishop's statement is as follows:

I want to thank the chamber for all of their hard work during very difficult times to bring a budget together. There have been many moments and times throughout our career that have been very difficult. This year has been no different.

I want to particularly thank one individual who has done more for this chamber than most, and that is Gary Olson. Gary Olson is the leader of the Senate Fiscal Agency. He has been there at every moment through every dark hour to counsel our members in a very professional, nonpartisan way. He has been there at every waking moment when we have had questions. He has responded without hesitation. He has given us options and counseled us during these difficult times. I just want people to know that there is one person I want to single out in the four years I have been here. This gentleman, Mr. Gary Olson, has done more for the Senate Majority Leader's office than I can ever thank him for.

His entire staff, Ellen, who has been named as the person to fill in his shoes as he leaves. I just want to thank him. We will have a chance to give him a tribute before we leave for the year, but I wanted, before we leave, to make sure that we thank Gary Olson for what he has done. I know that Senator Prusi wants to share in those comments as well.

Senator Prusi's statement is as follows:

Thank you, Mr. President and Mr. Majority Leader, for yielding for me to make a few comments because I have spent more than half of my legislative career on the Appropriation Committee, first in the House and then in the Senate. I think if the general public understood how hard it is to put together a budget of the complexity and the magnitude that we deal with here, they would have a great more sympathy for state employees like Gary Olson and the staff over at the Senate Fiscal Agency. It's not an easy job because there's always a moving target, the numbers are changing on them, but they can turn around a request whether it's from one of our members, one of the Appropriations members, or one of the leadership staff.

They have to integrate with the House, and they have to integrate with the Budget Office. Gary has done it with integrity and grace and commitment that I've admired. I just want to echo the remarks of the Majority Leader, being that this is the last budget where we're going to have the services of Gary Olson. We're all going to be diminished by it, but I think the state of Michigan and the Michigan State Senate has been served well.

Gary, we really respect your service. We thank you for all the years you've given us, and we wish you well in the years ahead.

### Committee Reports

#### COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submitted the following:

Meeting held on Tuesday, September 28, 2010, at 4:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Jelinek (C), Pappageorge, Kahn, Cropsey, George, Jansen, Brown, Stamas, Switalski, Barcia, Brater, Cherry, Clark-Coleman and Scott

Excused: Senators Hardiman, Garcia, McManus and Anderson

Senator Cropsey moved that the Senate adjourn.  
The motion prevailed, the time being 6:12 p.m.

In pursuance of the order previously made, the President pro tempore, Senator Richardville, declared the Senate adjourned until Wednesday, October 6, 2010, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate

